

Exhibit S

Form No. 1

טופס מס' 1

AUTHENTICATION OF SIGNATURE

Submitted Date: 18/11/2022 09:11

Filed Date: 18/11/2022 09:11

I, the undersigned **Shahar Ronen**אני החתום מטה **שחר רונן**Notary holding license no **222437**Fees Paid: 22.00
222437 נוטריון בעל רישיון מספר

hereby certify that on **18.11.2022** appeared
 before me at my offices located at 4 Berkowitz St.
 Museum Tower, Floor 6, Tel Aviv 6423806, Israel.

מאשר כי ביום **18.11.2022**
 ניצבה לפני במשרדי שבמקן ברחוב ברקוביץ 4 מגדל
 המוזיאון קומה 6 תל אביב 6423806, ישראל.

Mr. / Ms. **YONATAN BEN SHIMON**

מרת יחונת בן שמעון

☐ who is known to me personally☐ המוכרת לי באופן אישי

✓ whose identity has been proven to me by id (Israel)
 number **301757076**

✓ שזהותה הוכחה לי על פי תעודת זהות ישראלית מספר
301757076 שהונפקה ביום 15.02.2021 תוקף 14.02.2026

issued on 15.02.2021 expiry date 14.02.2026

ושוכנעתי כי הניצבת בפני הביקרה הבנה מלאה את משמעות
 הפעולה וחתמה/ מרצונה/ החופשי על המסמך המצורף
 והמסומן באות "א".

And I am convinced that the person standing before
 me understood fully the significance of the action
 and voluntarily signed the attached document
 marked with the letter "A"

ראיה אני מאמת את חתימתה של מרת

יחונת בן שמעון

In witness whereof, I hereby authenticate the
 signature of Mr. / Ms. **YONATAN BEN SHIMON** by
 my own signature and seal this day 18.11.2022

חתימת ידי ובחותמי, היום 18.11.2022

ר נוטריון 297 נה כולל מע"מ.

Notary fee 297NIS. Including VAT

Signature.....




Notary's seal



Filed on behalf of: Claimant
Affidavit of: Yonatan Ben Shimon
Affidavit number: first
Exhibit reference: YBS-1
Date affirmed: 17 November 2022
Date filed: 17 November 2022

THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
ANTIGUA AND BARBUDA

CLAIM NO. ANUHCV2022/

BETWEEN:

YONATAN BEN SHIMON

Claimant / Applicant

-and-

(1) EMERGENT FIDELITY TECHNOLOGIES LTD
(2) SAMUEL BENJAMIN BANKMAN-FRIED

Defendants / Respondents

AFFIRMATION OF YONATAN BEN SHIMON

I, YONATAN BEN SHIMON, of Zabutinski 8, Tel Aviv, Israel, do solemnly and sincerely affirm and say as follows:

1. I make this affirmation in support of my application for:
 - a. An urgent interim freezing injunction pending the determination of the claim;
 - b. The appointment of interim receivers over the First Defendant's assets and over any equity and/or debt interests held by the Second Defendant in the First Defendant;
 - c. Orders relating to service, including permission to serve the claim out of the jurisdiction on the Second Defendant.

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2. Unless otherwise stated, the facts and matters deposed to in this affirmation are within my personal knowledge and I believe them to be true. Where such facts and matters are outside my personal knowledge, they are true to the best of my knowledge, information and belief and are derived from sources to which I refer.
3. There is produced to me, exhibited hereto and marked "YBS-1" a paginated bundle of true copies of documents to which I refer in this affirmation. Numbers appearing in square brackets in this affirmation are references to page numbers in that bundle.

A. Background

4. I am an Israeli citizen and a cryptocurrency entrepreneur who has been active in this business since 2013.
5. FTX describes itself as a "*cryptocurrency exchange built by traders, for traders*". It purports to offer "*innovative products including industry-first derivatives, options, volatility products and leveraged tokens*". According to its website, its founders are the Second Defendant and Gary Wang who also serve as FTX's Chief Operating Officer and Chief Technology Officer respectively.
6. The manner in which FTX's business is organised is opaque and unclear. I have reviewed the article published by the Financial Times on 10 November 2022 entitled "*Untangling the knotty empire of Bankman-Fried and FTX*", a copy of which may be found at pages 1-4 and I understand that the foundation company referred to in FTX's legal disclaimers is FTX Trading Ltd, duly incorporated in Antigua and Barbuda. The cryptocurrency business overseen by the Second Defendant is split into two parts:
 - a. The FTX business (a cryptocurrency exchange); and
 - b. Alameda Research Ltd, which is the Second Defendant's cryptocurrency trading firm.
7. According to filings with the US Securities and Exchange Commission ("SEC"), the First Defendant is a company incorporated in Antigua and Barbuda with its principal place of business at Unit 3B, Bryson's Commercial Complex, Friars Hill Road, St. Johns, Antigua and its principal business being the making of investments in securities and other assets. In May

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2022, the First Defendant acquired 56,273,469 shares in Robinhood Markets, Inc. at a cost of US\$648,293,886.33. This acquisition was sourced from "working capital". Robinhood Markets, Inc. is a company listed on NASDAQ (Ticker: HOOD) ("Robinhood"). The 56 million shares in question represent a 7.6% interest in Robinhood and at today's market prices have an approximate value of US\$571,175,710 (56,273,469 at US\$10.15 per share). In the SEC filing in question, the First and Second Defendants are described as the beneficial owners of the 56 million shares in Robinhood and the Second Defendant is described as the sole director and majority owner of the First Defendant. A copy of the SEC filing in question may be found at pages 5-13.

8. The Second Defendant is a United States citizen with his principal business addresses at 27 Veridian Corporate Center, Western Road, New Providence, Nassau, Bahamas and 167 N Green St, Floor 11 Suite 2, Chicago, IL 60607. As outlined above, he is the co-founder of FTX and I understand that he owns and runs the cryptocurrency trading company, Alameda Research Ltd also.
9. In and around 2021, I started using FTX, as I believed it to be a reputable exchange. On 13 October 2021, I deposited 3,000 Ethereum with FTX. As of today's date, my Ethereum has a market value of approximately US\$3.5 million. Screenshots from my account with FTX evidencing my position and evidence of the current value of Ethereum may be found at pages 14-16. According to data provided by Coinmarketcap.com, the value of my 3,000 Ethereum at close of business on 13 October 2021 was US\$10,818,600 (US\$3,606.20 per Ethereum) [page 117].

B. The Coinbase Article and Subsequent Events

10. On 2 November 2022, CoinDesk published an article entitled "Divisions in Sam Bankman-Fried's Crypto Empire Blur on His Trading Titan Alameda's Balance Sheet" which disclosed that the balance sheet of Alameda Research Ltd, the cryptocurrency trading firm owned by Sam Bankman-Fried, is made up of FTT token which is a digital asset invented by its sister business, FTX. While the article noted that there was nothing "per se untoward or wrong" about this state of affairs, it added to evidence that the ties between the FTX business and Alameda Research Ltd were unusually close. A copy of the article in question may be found at pages 17-20.



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11. On 6 November 2022, Zhao Changpeng, the Chief Executive Officer of Binance Holdings ("Binance") (a rival cryptocurrency exchange) took to Twitter to announce Binance's plans to sell its US\$530 million holding of FTX Tokens in light of "recent revelations". A copy of the tweet in question may be found at page 21.
12. Mr Zhao's tweet precipitated both a fall in the price of FTX Tokens and a run on FTX's business with customers rushing to withdraw as much as US\$6 billion over the course of three days according to a Financial Times article [pages 22-24] though the figure may, in fact, be larger. Mr Bankman-Fried has admitted that customers withdrew over US\$5 billion on Sunday alone [page 50]. I understand from media reports that this financial crisis prompted Mr Bankman-Fried to request assistance from Mr Zhao which resulted in an announcement on 8 November by Mr Zhao that Binance had "signed a non-binding [letter of intent], intending to fully acquire FTX.com". A copy of the media report in question may be found at page 25.
13. However, Binance issued a statement on 9 November notifying the markets that it was abandoning the proposed acquisition of FTX in the following terms "[a]s a result of corporate due diligence, as well as the latest news reports regarding mishandled customer funds and alleged US agency investigations, we have decided that we will not pursue the potential acquisition of FTX.com". A copy of the article published by the Financial Times on 10 November 2022 which relayed this information may be found at pages 26-28.
14. I have tried to withdraw my 3,000 Ethereum from FTX but my request was denied.

C. Regulatory Investigations and Interventions

15. I believe that the 'agency investigations' referred to by Binance in its statement dated 9 November *pertained* to investigations by the US Securities and Exchange Commission and the US Justice Department. A copy of an article published by the Wall Street Journal on 9 November 2022 makes reference to the investigations in question, including to the expansion of the investigations to cover "the relationship between FTX.US and the parent company, based in the Caribbean." [pages 29-31].
16. The regulatory investigations and interventions have not been limited to the US and have grown to include the suspension of FTX's EU licence by the Cypriot authorities, the appointment of provisional liquidators to FTX's business in the Bahamas, a direction issued by



the Financial Services Agency of Japan to suspend all business pursuant to Japan's Payments Services Act and Financial Instruments and Exchange Act and regulatory action/investigations in Turkey, Australia, California, and New York. Media articles reporting on these regulatory actions/investigations may be found at pages 32-47. On Friday, 11 November, FTX Trading Ltd and 134 affiliated entities presented a bankruptcy petition pursuant to Chapter 11 of the US Bankruptcy Code in the United District Court for the District of Delaware. The Chapter 11 proceedings will be addressed further below at Section E.

D. Chaos and Desperation

17. Following Binance's decision to withdraw from acquiring FTX, the Second Defendant scrambled to secure alternative funding. The desperation and chaos may be seen in a series of 22 tweets made on 10 November 2022 in which the Second Defendant states that:

- i. He *"fucked up, and should have done better."*
- ii. *"FTX International currently has a total market value of assets/collateral higher than client deposits (moves with prices!). But that's different from liquidity for delivery – as you can tell from the state of withdrawals. The liquidity varies widely, from very to very little."*
- iii. *"I fucked up twice. The first time, a poor internal labeling of bank-related accounts meant that I was substantially off on my sense of users' margin. I thought it was way lower."*
- iv. *"We saw roughly US\$5 billion of withdrawals on Sunday".*
- v. *"There are a number of players who [FTX is] in talks with, LOIs, terms sheets, etc."*

Screenshots of the tweets in question may be found at pages 48-56.

18. Media outlets also reported that the Second Defendant had been desperately trying to secure fresh investment both prior to and after the filing of the bankruptcy petition on 11 November. A copy of the articles published by the Wall Street Journal and Financial Times in this regard may be found at pages 57-62. These efforts also purportedly extended to selling the 56 million shares in Robinhood which were described in the Financial Times article in the following terms:

" Bankman-Fried had been racing to raise emergency funding but was unable to persuade investors to rescue his collapsed business empire. The new investment materials show that he was seeking to raise \$6bn-\$10bn including from a convertible



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preferred stock paying a 10 per cent dividend that could later be converted into common equity in FTX International at a valuation of between \$12bn-\$15bn. "This is just a lower bound on the terms investors can get," the materials add. Until Friday afternoon, Bankman-Fried was looking to sell the \$472mn of Robinhood shares, the largest liquid asset listed for FTX Trading, in privately negotiated deals he was arranging on the messaging app Signal, according to a person directly involved in the negotiations. The person noted that the Robinhood shares were held by an Antigua and Barbuda entity called Emergent Fidelity, which is personally controlled by Bankman-Fried, according to US securities filings. Emergent Fidelity is not among the entities listed in Friday's bankruptcy filing. Bankman-Fried was entertaining offers at an about 20 per cent discount to Robinhood's volume-weighted average price, or about \$9 per share, said the investor, who ultimately declined to buy due to perceived legal risks."

A copy of the balance sheet referred to in the same article may be found at page 63.

19. I note that the 56 million shares in Robinhood are described as assets of FTX Trading in both the article identified above and the balance sheet found at page 63. I believe this to be an error as the SEC filing made in May 2022 clearly describes the shares in question as assets beneficially owned by the First and Second Defendants [page 9].

E. Chapter 11 Bankruptcy Proceedings

20. On Friday, 11 November 2022, FTX Trading Ltd and 134 affiliated entities (the "FTX Debtors") presented a bankruptcy petition pursuant to Chapter 11 of the US Bankruptcy Code in the United States District Court for the District of Delaware. A copy of the petition may be found at pages 64-86.
21. I note that on page 75 Mr Bankman-Fried states that his personal US lawyers are Paul, Weiss, Rifkind, Wharton & Garrison LLP.
22. It is unclear whether FTX has filed its "first-day motions" to formally commence the Chapter 11 bankruptcy proceedings with one media publication stating that the "FTX bankruptcy stalls as lawyers confront crypto chaos." [pages 87-89].

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23. The FTX Debtors have, however, filed a motion to modify certain creditor lists and authorizing the debtors to serve certain parties by email. A copy of this motion to modify may be found at pages 90-98.
24. Immediately following the presentation of the bankruptcy petition, FTX was the victim of a hack with experts estimating that in excess of US\$600 million was siphoned from FTX's crypto wallets on Friday, 11 November 2022 [see pages 99-103].
25. As far as I am aware, the First Defendant is not an FTX Debtor.

F. Revelations Following the Bankruptcy Proceedings

26. On Monday, 7 November 2022, the Second Defendant tweeted that *"FTX has enough to cover all client holdings. We don't invest client assets (even in treasuries)."* The tweet in question has since been deleted but it has been reproduced in an article published by the Wall Street Journal on 11 November 2022 [pages 104-108].
27. The statement made by the Second Defendant in his tweet on 7 November 2022 regarding client assets has since been shown to be incorrect. In the article published by the Wall Street Journal on 11 November 2022, it was revealed that FTX had loaned US\$8 billion of client assets to Alameda for trading purposes [pages 60-62]. This represented half of all client assets (US\$16 billion) held by FTX and this liability of US\$8 billion can be seen in the balance sheet referred to above at paragraph 18 where it is described as the *"hidden, poorly internally labeled 'fiat@' account"* (sic) [page 61]. In communications with the Financial Times, the Second Defendant has allegedly stated that the US\$8 billion liability related to *"funds 'accidentally' extended to his trading firm, Alameda."* [page 61].
28. It is not clear whether FTT was provided as collateral for these loans or whether those loans were unsecured. At this time, there is no clarity to ordinary customers such as myself regarding which customers' assets were, in fact, lent to Alameda. For the avoidance of doubt representatives of FTX never asked me whether I was willing to lend my 3,000 Ethereum and if so, on what terms I would be willing to do so. If it transpires that my 3,000 Ethereum has been lent to Alameda for its trading activities, then that occurred without my knowledge or permission.

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F. Antiguan Proceedings

29. In these proceedings, I claim against the First and Second Defendants on a proprietary basis, for breach of trust and dishonestly assisting breaches of trust and seek the following primary relief:

- i. A declaration that the First and/or Second Defendants hold funds which I invested with FTX Trading Ltd or their traceable proceeds on trust for me;
- ii. Such amount as the Court may assess on the basis that funds which I invested with FTX Trading Ltd were knowingly received by the First and/or Second Defendants in breach of trust and/or that the First and/or Second Defendants dishonestly assisted breaches of trust;
- iii. The taking of an account and consequential orders thereupon; and
- iv. Damages in tort for lawful and/or unlawful means conspiracy.

30. As for the interim relief, I seek the following, namely:

Interim Freezing Injunction

- i. An interim freezing order directed to:
 - a) The First Defendant, in respect of its worldwide assets, up to the value of my investment with FTX; and
 - b) The Second Defendant, in respect of his equity and/or debt interests in the First Defendant, up to the value of my investment with FTX.
- ii. Without waiving privilege, I am advised that I have a good arguable case against the First and Second Defendants for the relief claimed.
- iii. There is a real risk that a judgment against the First and Second Defendants will be unsatisfied unless a freezing order is made to prevent them from dissipating their assets in the interim. As outlined above at paragraph 7, the First Defendant acquired a 7.6% shareholding in Robinhood for about US\$650 million, possibly using



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improperly diverted from those invested by me and others with FTX. I know nothing regarding the source of the funds used to acquire the 7.6% interest in Robinhood beyond the fact that it was allegedly "working capital" (page 8). According to media reports and as outlined at paragraph 18 above, when FTX was placed into Chapter 11 bankruptcy in the United States on 11 November 2022, the Second Defendant was attempting to sell those Robinhood shares at about a 20% discount to their volume-weighted average price. Once liquidated, the sale proceeds may be impossible to recover, particularly if they are converted into crypto currency and stored in a digital wallet (not another crypto exchange).

- iv. In all the circumstances, it would be just and convenient to grant the freezing order sought. The First Defendant is not a trading company and there is no reason to believe that a freezing order would cause any disruption to any operating businesses. There is no reason to suppose that any other third parties would be adversely affected.

Interim Receivership

- i. The appointment of receivers over the Second Defendant's equity and/or debt interests in the First Defendant, and over the First Defendant's worldwide assets, to prevent their dissipation or encumbrance. The Second Defendant is outside the Court's territorial jurisdiction and the circumstances of FTX's collapse (as disclosed to date) are sufficiently concerning that there is a measurable risk that a freezing order alone may offer insufficient protection of the assets against which a judgment in favour of me may eventually be enforced.

31. I understand that I must give the Court, as the price of an injunction, an undertaking to pay any damages which the Defendants sustain which the Court considers that I should pay. I confirm that I will instruct my counsel to give the required undertaking on my behalf at the hearing.
32. In the meantime, if no injunction is granted, then there is a real risk that any future judgment will go unsatisfied. The evidence suggests that the Second Defendant's efforts to sell the 56 million shares in Robinhood continued after the Chapter 11 bankruptcy filing and may be ongoing as part of his efforts to raise liquidity [pages 57-62]. Even if the Second Defendant's

[Handwritten signature]



efforts in this regard are to provide cash to FTX, this is misguided. It is not open to the Second Defendant, in his capacity as sole director of the First Defendant, to gift the latter's assets to FTX. Those assets should be safeguarded for the benefit of those who have a claim to the assets, including myself.

33. A less charitable assessment of the Second Defendant's efforts to raise liquidity might focus on the potentially fraudulent aspect to this crypto platform collapse. The former US Treasury Secretary, Larry Summers, has compared the collapse of FTX to the Enron scandal stating that both were cases where people detected 'whiffs of fraud.' [pages 109-110]. The Second Defendant claims that US\$8 billion was "accidentally" lent to his firm's cryptocurrency trading entity but this highly improbable and media reports have circulated that the Second Defendant has fled to Argentina though these reports have been denied by him [pages 111-112]. In the circumstances, the balance of convenience clearly lies in favour of granting the relief sought.
34. This application is proceeding *ex parte* to safeguard the assets held by the First Defendant and prevent the Second Defendant from executing a stock transfer form transferring the shares to a third party. Were the Defendants to be notified of these proceedings, it would most likely defeat the very purpose of the application.
35. The proposed receivers, Ms Angela Barkhouse of Quantuma (Cayman) Ltd, Suite N404, Flagship Building, 142 Seafarers Way, George Town, Grand Cayman and Ms Toni Shukla of Quantuma (BVI) Ltd, PO Box 4171, Road Town, Tortola, British Virgin Islands, VG110 have both consented to act. A copy of their respective consents to act and the curriculum vitae may be found at pages 113-116.

F. Service out of the jurisdiction

36. The Second Defendant is not resident in Antigua and Barbuda. The SEC filing made by him in May 2022 suggests that he is either resident in Bahamas or the United States (see paragraph 8 above).

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37. Having taken legal advice, privilege in which is not waived, I believe that the claim against the Second Defendant has a realistic prospect of success and that the grounds on which the service out application is made are:

- a. The claim will be served on the First Defendant, which is a company incorporated in Antigua and Barbuda and which has its principal business address in Antigua;
- b. There is between me and the First Defendant a real issue which it is reasonable for the Court to try; and
- c. I wish to serve the claim on the Second Defendant, who is outside the jurisdiction and I am advised, without waiving privilege, that he is a necessary or proper party to the claim.

38. There is a serious question to be tried on the merits because I have a good arguable case that:

- a. Funds invested by me with FTX Trading Ltd (of which the Second Defendant was a founder and director) have been improperly diverted to the First Defendant (of which the Second Defendant is the sole director and majority owner) in circumstances which give rise to my having a proprietary tracing claim against those funds and/or claims against the First and/or Second Defendants in knowing receipt and/or dishonest assistance; and
- b. The First and Second Defendants conspired to perform and did perform lawful and/or unlawful acts, involving the improper diversion of funds invested by me and other investors with FTX to the First Defendant, for the predominant purpose of injuring me and other investors by expropriating those funds to the personal benefit of the Second Defendant, and thereby causing loss to me.

39. I am advised, without waiving privilege, that Antigua and Barbuda is clearly or distinctly the appropriate forum because it is the principal place of business of the First Defendant, who received the misappropriated funds. Insofar as the claim seeks non-monetary relief in respect to those funds, including declaratory relief and the taking of an account, such would not be enforceable against the First Defendant in its jurisdiction of incorporation under common law or under the Reciprocal Enforcement of Judgments Act (CAP. 369) if gr

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a foreign court. Accordingly, to ensure the efficacy of the relief sought, the claim must be tried here.

40. In light of the urgency of this matter and the need to move the application seeking the freezing injunction and the appointment of receivers without delay to prevent dissipation of assets, it has not been possible, in the available time, to prepare a statement of claim. The application seeks an additional 14 days in which to do this.
41. The application also seeks permission to serve the claim by delivery to the Second Defendant's personal US lawyers as identified in the Chapter 11 filing (Paul, Weiss, Rifkind, Wharton & Garrison LLP). The reason for this is that service through the ordinary channels would be impracticable in these circumstances because it is unclear whether the Second Respondent is currently resident in or may be found in the United States or the Bahamas, and the urgency of the matter requires that notice of the claim be brought to his attention as soon as possible. Effecting service on his personal US lawyers will doubtless have that effect.

G. Full and frank disclosure

42. I understand that the First Defendant is not an FTX Debtor which is protected by the Chapter 11 worldwide moratorium. While my counsel has diligently checked the available US filings in this regard, there may be filings in the US bankruptcy of which I am unaware which would mean that the First Defendant is an FTX Debtor and, therefore, protected by the worldwide moratorium.
43. There is conflicting evidence regarding ownership of the 56 million Robinhood shares. The balance sheet produced at page 63 suggests that these shares are owned by FTX. However, the Second Defendant has stated in his SEC filing dated May 2022 that the shares are held by the First Defendant and they are beneficially owned by the First and Second Defendants. As far as I am aware, neither FTX nor any other entity has filed a further form SC 13-D with the SEC notifying it of any change in ownership. Moreover, the fact that the First Defendant was not included in the bankruptcy petition filing suggests that its assets do not form part of the bankruptcy estate. However, I cannot entirely discount the possibility that FTX or authorised representatives may in future claim that these shares form part of its bankruptcy estate.

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44. The First Defendant may claim that Antigua is not the appropriate forum. I understand that my lawyers will argue that it is clearly or distinctly the appropriate forum because it is the First Defendant's principal place of business, and also because non-monetary relief granted by a foreign court (if the claim were tried elsewhere) would not be enforceable against Emergent in Antigua.
45. In preparing this affirmation with the assistance of my legal counsel, it has been necessary to rely on articles published by the media. There may be errors in those articles. My lack of first-hand knowledge is due to the fact that I am an ordinary retail customer of FTX and it is not within my power to provide first-hand knowledge of what has occurred. I am not privy to that information.
46. The Defendants may argue that there is an innocent explanation for the collapse of FTX and that the working capital (US\$648,293,886.33) used to acquire the 56 million shares in Robinhood is unrelated to the client funds unlawfully lent to Alameda Research Ltd. This may be the case. It is too soon to tell. However, the collapse of the trading platform and the discovery that over half of its assets were unlawfully lent to a related third party subject to the control of the Second Defendant undermines any argument that there could be an innocent explanation.
47. The Defendants may complain that they have not been provided with any notice of these proceedings nor the application to freeze their assets and have receivers appointed. This is by necessity. Given the speed at which FTX has collapsed, the subsequent hack, the Second Defendant's facility with crypto currencies and the transfer of same and the disclosure that the Second Defendant continued to try to sell the 56 million Robinhood shares for his benefit or the benefit of FTX following the filing of the Chapter 11 bankruptcy proceedings and may be continuing in his efforts to dispose of the Robinhood shares, it is incumbent on claimants such as myself to move quickly and without notice.
48. According to the SEC filing made in May 2022, the Second Defendant is the majority owner of the First Defendant. The Second Defendant has not revealed, in any public filing of which I am aware, the identity of those who hold a minority interest in the First Defendant. Accordingly, I do not know who else may be affected by this application nor do I know how they may be affected.



49. Due to FTX's website having been taken down, I am not presently able to access the page that sets out the terms and conditions on which I made my investment in FTX. However, without waiving privilege, I have not been advised of any reason why these would affect my rights against the First or Second Defendants as pleaded in this claim as distinct from my rights against FTX.

H. Conclusion

50. For the reasons set out above in this affidavit, I respectfully ask the Court to make the orders sought by me.

AFFIRMED by the within named)

YONATAN BEN SHIMON)

This 18 day of November 2022)

At TEL-AVIV ISRAEL)

BEFORE ME:

SHAHAR RONEN NOTARY

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THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
ANTIGUA AND BARBUDA

CLAIM NO. ANUHCV 2022/

BETWEEN:

YONATAN BEN SHIMON

Claimant / Applicant
-and-

(1) EMERGENT FIDELITY TECHNOLOGIES LTD
(2) SAMUEL BENJAMIN BANKMAN-FRIED
Defendants / Respondents

AFFIDAVIT OF YONATAN BEN SHIMON

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Legal Practitioners for the Claimant



Filed on behalf of: Claimant
Affidavit of: Yonatan Ben Shimon
Affidavit number: first
Exhibit reference: YBS-1
Date affirmed: 17 November 2022
Date filed: 17 November 2022

**THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
ANTIGUA AND BARBUDA**

CLAIM NO. ANUHCV2022/

BETWEEN:

YONATAN BEN SHIMON

Claimant / Applicant

-and-

**(1) EMERGENT FIDELITY TECHNOLOGIES LTD
(2) SAMUEL BENJAMIN BANKMAN-FRIED**

Defendants / Respondents

EXHIBIT YBS-1 TO THE AFFIRMATION OF YONATAN BEN SHIMON

I certify that this is the bundle of documents referred to as Exhibit YBS-1 in paragraph 3 of the affirmation of Yonatan Ben Shimon dated 17 November 2022.

**THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
ANTIGUA AND BARBUDA**

CLAIM NO. ANUHCV 2022/

BETWEEN:

YONATAN BEN SHIMON

Claimant

-and-

(1) EMERGENT FIDELITY TECHNOLOGIES LTD

(2) SAMUEL BENJAMIN BANKMAN-FRIED

Defendants

**EXHIBIT YBS-1 TO THE
AFFIDAVIT OF YONATAN BEN SHIMON**

**Lake, Kentish & Bennett Inc.
Temple Chambers
36 Long St
St John's
Antigua
Tel: +1 268 462 1012
Fax: +1 268 462 2568**

Legal Practitioners for the Claimant

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FT Alphaville FTX Trading Ltd

Untangling the knotty empire of Bankman-Fried and FTX

Relationship status: it's complicated

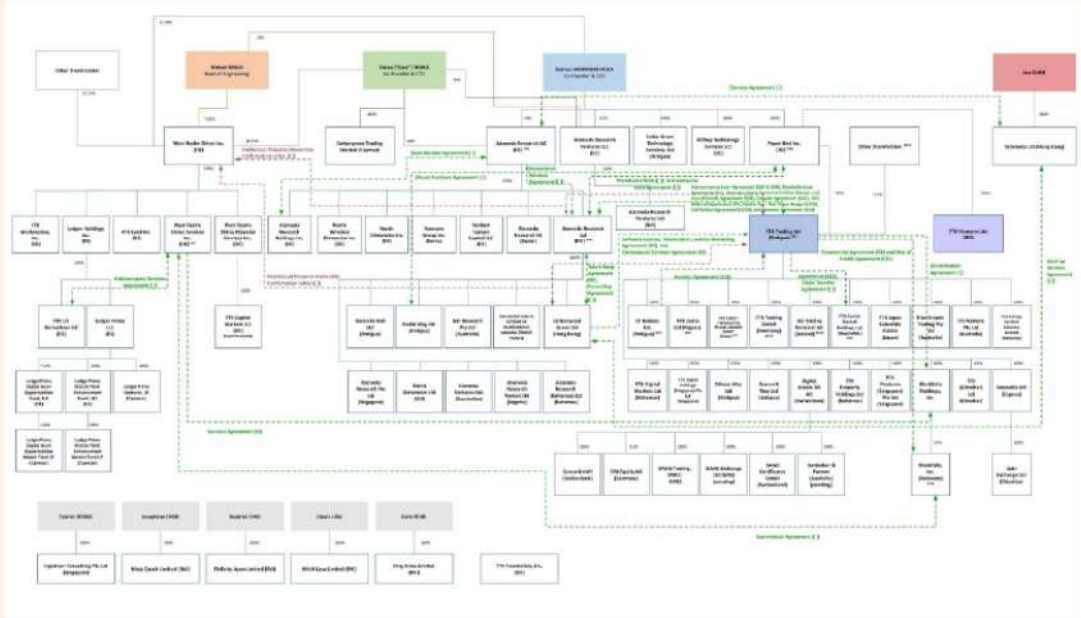


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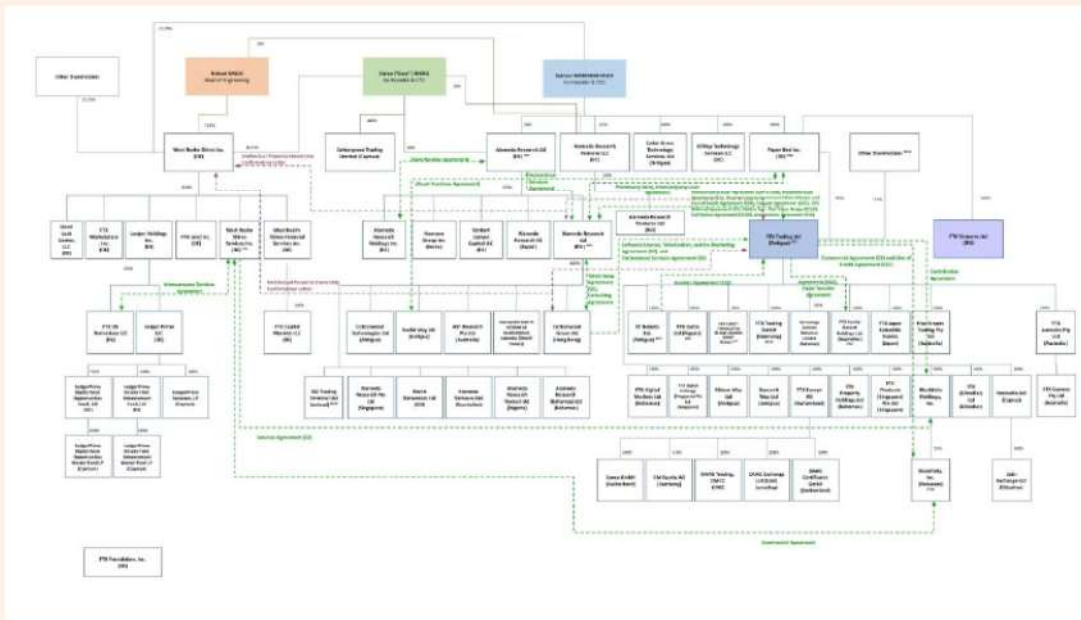
Bryce Elder NOVEMBER 10 2022

With crypto exchange FTX short \$8bn and [hurtling towards bankruptcy](#), please take a moment to survey the task that might be awaiting liquidators and law enforcement agencies.

Below we reproduce two slightly different attempts to map FTX's corporate structure as of March 2022. (H/T [Dan McCrum](#).)



(Enlarge)



(Zoom)

(Crude spot-the-difference video)

There's a lot going on there so the most we can do in a hurry is to pick out a few landmarks. Please feel free to add your own observations in the comment box.

FTX Trading Ltd, incorporated in Antigua and Barbuda, is the foundation company identified in FTX's [legal disclaimers](#). **West Realm Shires Inc** is the US-facing offshoot, commonly referred to as FTX US, which was excluded from Binance's [quickly-abandoned](#) rescue proposal. The US company appeared to be Delaware ringfenced beyond its intellectual property relationships (with BVI-based **Alameda Research Ltd** and **Cottonwood Grove Ltd** of Hong Kong) while the remainder was a multijurisdictional web of wholly owned subsidiaries and inter-company loans.

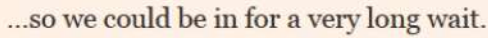
The schematic also indicates that **FTX Ventures Ltd**, the group's Bahamas-incorporated VC fund, was wholly owned by a little known Delaware holding company **Paper Bird Inc**, which in turn was [wholly owned](#) by Sam Bankman-Fried. Paper Bird also appears to have owned 89 per cent of **FTX Trading Ltd** as well as having intercompany loans with Alameda vehicles.

The US- and Cayman Islands-based **LedgerPrime** entities, in the bottom-left of the schematics, stem from FTX's acquisition last year of hedge fund Ledger Holdings. FTX rebranded LedgerPrime's crypto futures platform as **FTX US Derivatives LLC** and said the remaining business would become [a family office](#) making investments solely for Alameda Research.

Salameda Ltd (Hong Kong), owned 100 per cent by Bankman-Fried's chief of staff Jen Chan, gives the appearance of being a group outrider with links to Alameda entities by service agreements.

Because of the piecemeal nature of [public disclosures](#) we can't guarantee that the above diagrams accurately represent FTX's current or historic structure. A complete picture might only emerge from the examiner's report in Chapter 11 proceedings, which in the case of Lehman Brothers took [18 months to deliver](#).

The [SEC's post-mortem diagram](#) of Lehman's corporate structure looks a model of simplicity in comparison . . .



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 13D

Under the Securities Exchange Act of 1934

Robinhood Markets, Inc.

(Name of Issuer)

Class A Common Stock, par value \$0.0001 per share

(Title of Class of Securities)

770700102

(CUSIP Number)

Ryne Miller
60 Broad Street, Suite 2501
New York, NY 10004
(405) 517-7570

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

May 2, 2022

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No.: 770700102

SCHEDULE 13D

Page 2 of 7 pages

1	NAMES OF REPORTING PERSONS Emergent Fidelity Technologies Ltd.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS) WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(D) OR 2(E) <input type="checkbox"/>		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Antigua and Barbuda		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0	
	8	SHARED VOTING POWER 56,273,469	
	9	SOLE DISPOSITIVE POWER 0	
	10	SHARED DISPOSITIVE POWER 56,273,469	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 56,273,469		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.6%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) FI		

CUSIP No.: 770700102

SCHEDULE 13D

Page 3 of 7 pages

1	NAMES OF REPORTING PERSONS Samuel Benjamin Bankman-Fried		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>		
3	SEC USE ONLY		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS) AF		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(D) OR 2(E) <input type="checkbox"/>		
6	CITIZENSHIP OR PLACE OF ORGANIZATION United States		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0	
	8	SHARED VOTING POWER 56,273,469	
	9	SOLE DISPOSITIVE POWER 0	
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12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.6%		
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN		

Item 1. Security and Issuer

This statement on Schedule 13D (this “Statement”) relates to the Class A Common Stock, \$0.00001 par value per share (the “Shares”), of Robinhood Markets, Inc., a Delaware corporation (the “Issuer”). The address of the principal executive offices of the Issuer is 85 Willow Road, Menlo Park, California 94025, U.S.A.

Item 2. Identity and Background

This Statement is filed on behalf of each of the following persons (collectively, the “Reporting Persons”): Emergent Fidelity Technologies Ltd. a company incorporated under the laws of Antigua and Barbuda (“Emergent”), and Samuel Benjamin Bankman-Fried, a United States citizen. This Statement relates to the Shares held by Emergent.

The principal business address of Emergent is Unit 3B Bryson’s Commercial Complex, Friars Hill Road, St. Johns, Antigua. The principal business of Emergent is the making of investments in securities and other assets. Mr. Bankman-Fried is the sole director and majority owner of Emergent. The principal business addresses of Mr. Bankman-Fried are 27 Veridian Corporate Center, Western Road, New Providence, Nassau, Bahamas and 167 N Green St, Floor 11 Suite 2, Chicago IL 60607. Mr. Bankman-Fried is the co-founder and Chief Executive Officer of each of FTX Trading Ltd. and West Realm Shires Services Inc. d/b/a FTX US. The agreement between the Reporting Persons to file this Statement jointly in accordance with Rule 13d-1(k) under the Exchange Act is attached as Exhibit 1 hereto.

During the last five years, none of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

The responses to Items 4, 5 and 6 of this Statement are incorporated herein by reference.

The Shares reported herein were purchased by Emergent using working capital. The total purchase price for the Shares reported herein was \$648,293,886.33. All or part of the Shares owned by the Reporting Persons may from time to time be pledged with one or more banking institutions or brokerage firms as collateral for loans made by such bank(s) or brokerage firm(s) to the Reporting Persons. Such indebtedness may be refinanced with other banks or broker dealers.

Item 4. Purpose of Transaction

The responses to Items 3, 5 and 6 of this Statement are incorporated herein by reference.

The Reporting Persons acquired the Shares in the belief that the Shares represent an attractive investment. The Reporting Persons intend to hold the Shares as an investment, and do not currently have any intention of taking any action toward changing or influencing the control of the Issuer, participating in any transaction having that purpose or effect or taking any action listed in Item 4 of Schedule 13D. The Reporting Persons review their investments on an ongoing basis, including their investment in the Issuer. As a result of that review, and depending on many factors, the Reporting Persons may from time to time engage in discussions as a stockholder with representatives of the Issuer, other stockholders of the Issuer or third parties regarding the performance of the Issuer and its business and investment returns. Additionally, although the Reporting Persons currently have no intention to do so, in the future, and based on circumstances as they may develop, the Reporting Persons might determine to take other actions with respect to their investment in the Issuer as they deem appropriate, including, without limitation: reviewing options for enhancing stockholder value through, among other things, various strategic alternatives or operational or management initiatives; acquiring additional Shares and/or other securities of the Issuer or securities that are based upon or relate to the value of the Shares or otherwise relate to the Issuer (collectively, “Securities”), or disposing of, hedging or otherwise transacting in Securities; and proposing or considering, or changing their intention with respect to, one or more of the actions described in Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer

(a) – (b) Each of Emergent and Mr. Bankman-Fried may be deemed the beneficial owner of all of the Shares reported herein, which represent approximately 7.6% of the Issuer’s outstanding Shares. The percentage in the immediately preceding sentence is calculated based on a total of 743,881,607 Shares issued and outstanding as of April 29, 2022, as reported in the Issuer’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 6, 2022.

(c) Except as set forth on Exhibit 2 attached hereto, there have been no transactions with respect to the Shares during the sixty days prior to the date hereof by any of the Reporting Persons.

(d) In addition to the Reporting Persons, members of Emergent may have the right to participate in the receipt of dividends from, or proceeds from the sale of, the Shares reported herein in accordance with their respective membership percentages.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Not applicable.

Item 7. Materials to be Filed as Exhibits

Exhibit Number	Description
1	Joint Filing Agreement between Emergent Fidelity Technologies Ltd. and Samuel Benjamin Bankman-Fried.
2	Transactions in the Shares effected in the past 60 days.

SIGNATURES

After reasonable inquiry and to the best of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: May 12, 2022

Emergent Fidelity Technologies Ltd.

By: /s/Samuel Benjamin Bankman-Fried

Name: Samuel Benjamin Bankman-Fried

Title: Director

Samuel Benjamin Bankman-Fried

By: /s/Samuel Benjamin Bankman-Fried

•6•

EXHIBIT INDEX

Exhibit Number	Description
<u>1</u>	Joint Filing Agreement between Emergent Fidelity Technologies Ltd. and Samuel Benjamin Bankman-Fried.
<u>2</u>	Transactions in the Shares effected in the past 60 days.

-7-

Exhibit 1

**AGREEMENT
JOINT FILING OF SCHEDULE 13D**

The undersigned hereby agree to jointly prepare and file with regulatory authorities this Schedule 13D and any future amendments thereto reporting each of the undersigned's ownership of securities of Robinhood Markets, Inc., and hereby affirm that such Schedule 13D is being filed on behalf of each of the undersigned pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him or it contained therein, but shall not be responsible for the completeness and accuracy of the information concerning the other, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

Date: May 12, 2022

Emergent Fidelity Technologies Ltd.

By: /s/ Samuel Benjamin Bankman-Fried
Name: Samuel Benjamin Bankman-Fried
Title: Director

Date: May 12, 2022

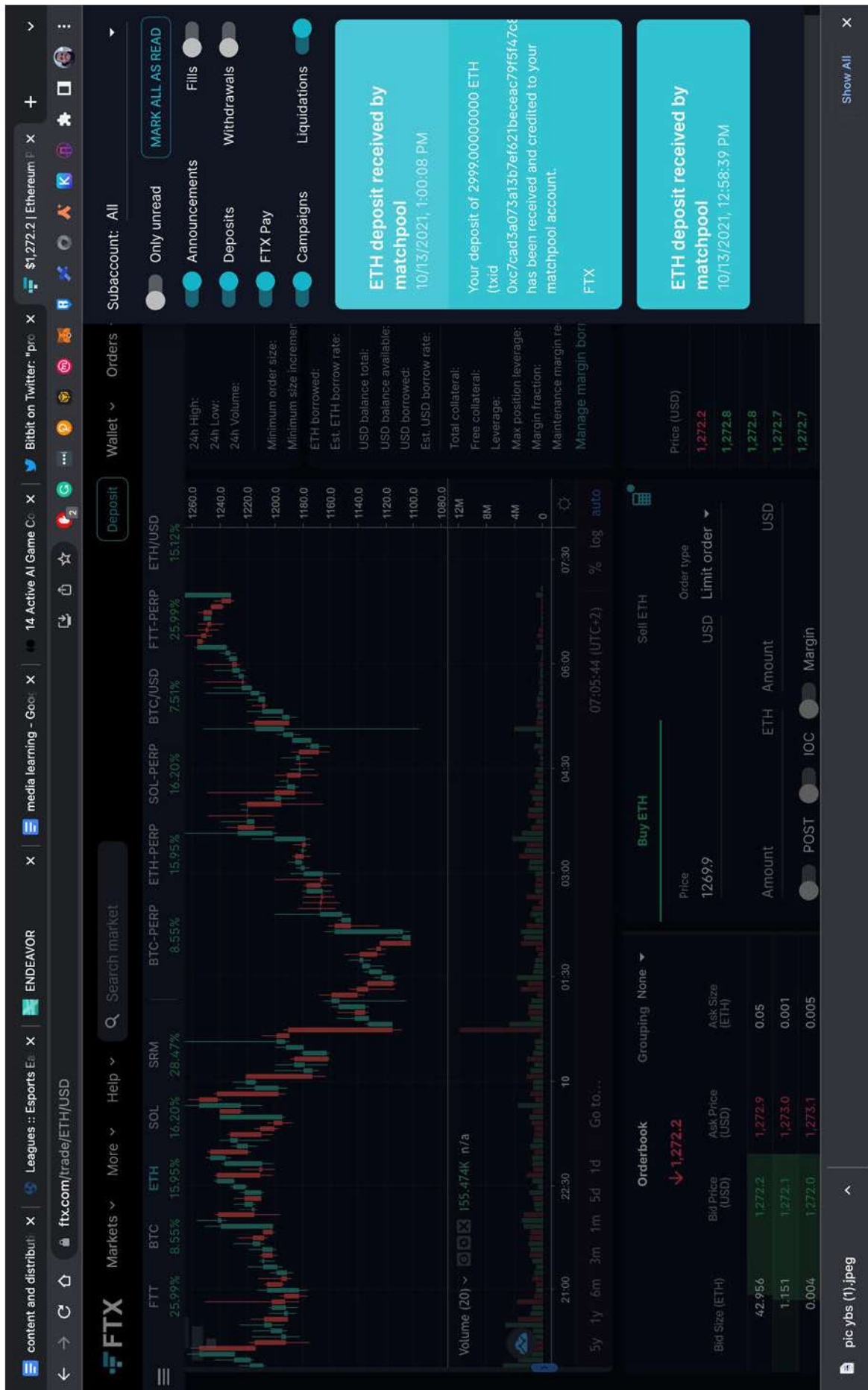
Samuel Benjamin Bankman-Fried

By: /s/ Samuel Benjamin Bankman-Fried

Exhibit 2**TRANSACTIONS**

The following table sets forth all transactions with respect to Shares effected in the last 60 days by or on behalf of the Reporting Persons, inclusive of any transactions effected through 4:00 p.m., New York City time, on May 12, 2022. All such transactions were open-market purchases of Shares made through an affiliate of the Reporting Persons that transferred such Shares to Emergent Fidelity Technologies Ltd. at those Shares' respective purchase prices. The Reporting Persons undertake to provide, upon request of the staff of the Securities and Exchange Commission, full information regarding the number of Shares purchased at each separate price within the price ranges set forth on the table below.

Transaction Date	Buy/Sell	Quantity	Weighted Avg. Price	Price Range
03/14/2022	Buy	800,000	10.7092	10.4450 - 11.1300
03/15/2022	Buy	800,000	10.8915	10.5050 - 11.1100
03/16/2022	Buy	800,000	12.5464	11.9300 - 12.8400
03/17/2022	Buy	800,000	13.4212	12.7200 - 13.7000
03/22/2022	Buy	400,000	13.5252	13.2950 - 13.8500
03/23/2022	Buy	800,000	13.1211	12.8200 - 13.3350
03/24/2022	Buy	600,000	12.9467	12.8250 - 13.0400
03/25/2022	Buy	400,000	12.4069	12.2700 - 12.5200
03/28/2022	Buy	400,000	12.5177	12.2750 - 12.8000
04/11/2022	Buy	400,000	11.2423	11.0100 - 11.4650
04/12/2022	Buy	400,000	11.5911	11.3550 - 11.8300
04/13/2022	Buy	400,000	11.7531	11.4200 - 11.9300
04/14/2022	Buy	400,000	11.5851	11.3050 - 11.8800
04/18/2022	Buy	400,000	11.0111	10.9050 - 11.2700
04/19/2022	Buy	400,000	11.3910	11.2350 - 11.6300
04/20/2022	Buy	400,000	10.8683	10.6950 - 11.1050
04/27/2022	Buy	900,000	9.5583	9.3950 - 9.7600
04/28/2022	Buy	900,000	9.7489	9.2700 - 10.1900
05/02/2022	Buy	2,400,000	10.1458	9.5400 - 10.4800
05/03/2022	Buy	2,800,000	10.0107	9.6450 - 10.4900
05/04/2022	Buy	1,515,910	10.2058	9.8950 - 10.4950
05/04/2022	Buy	522,559	10.6816	10.5000 - 10.9050
05/05/2022	Buy	2,400,000	10.6365	10.3650 - 10.9500
05/06/2022	Buy	1,450,000	10.2339	9.9200 - 10.6500
05/09/2022	Buy	2,400,000	9.7423	9.4250 - 10.2300
05/10/2022	Buy	2,800,000	9.3580	8.9200 - 9.8800
05/11/2022	Buy	1,590,165	8.2786	8.0100 - 8.4950
05/11/2022	Buy	1,609,835	8.9340	8.5000 - 9.3500



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	ETH-PERP	SOL-PERP	BTC/USD	FTT-PERP	ETH/USD
24.07%	8.22%	14.82%	11.80%	28.37%	8.22%
14.82%	11.80%	28.37%	8.22%	14.82%	11.80%
11.80%	28.37%	8.22%	14.82%	11.80%	28.37%
8.22%	14.82%	11.80%	28.37%	8.22%	14.82%

Total Net USD Value

≈ \$3,571,735.22

-\$1,089,801.57 (-23.38%) last week

Range: \$3,571,735.22 - \$4,661,536.79

Deposit Withdraw Convert Send Margin Borrows Margin Lending

Manage Saved Addresses View All Account Balances Hold FTT Up to 60% FTX trading fee discount

Missing Deposit Help NFTs

Subaccount: Main Account matchpool MAPS-IEO BITAZU

Balances Deposits Withdrawals Positions Fills Conversions Collateral Explorer P2P Transfers

ALL BALANCES CRYPTO LEVERAGED TOKENS FIAT TOKENIZED STOCKS CONVERT DUST CARD DEPOSIT

Available Balance USD Value

Balance

pic ybs (1).jpeg

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CoinDesk

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Bitcoin ▲ \$17,450 +5.76% | Ethereum ▲ \$1,299.84 +8.33% | Binance Coin ▲ \$296.39 +6.73% | XRP ▲ \$0.39396178 +8.49% | Binance USD ▼ \$0.99995350 -0.26%

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Business

Divisions in Sam Bankman-Fried's Crypto Empire Blur on His Trading Titan Alameda's Balance Sheet

Alameda had \$14.6 billion of assets as of June 30, according to a private document CoinDesk reviewed. Much of it is the FTT token issued by FTX, another Bankman-Fried company.

By Ian Allison
🕒 Nov 2, 2022 at 10:44 p.m.
Updated Nov 10, 2022 at 2:36 a.m.



Billionaire Sam Bankman-Fried's cryptocurrency empire is officially broken into two main parts: FTX (his exchange) and Alameda Research (his trading firm), both giants in their respective industries.

November 19-21, 2022

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But even though they are two separate businesses, the division breaks down in a key place: on Alameda's balance sheet, according to a private financial document reviewed by CoinDesk. (It is conceivable the document represents just part of Alameda.)

That balance sheet is full of FTX specifics, the FTT token issued by the exchange that grants holders a discount on trading fees on its marketplace. While there is nothing *per se* untoward or wrong about that, it shows Bankman-Fried's trading giant Alameda rests on a foundation largely made up of a coin that a sister company invented, not an independent asset like a fiat currency or another crypto. The situation adds to evidence that the ties between FTX and Alameda are unusual close.

Read the latest: [Binance Is Strongly Leaning Toward Scrapping FTX Rescue Takeover After First Glance at Books: Source](#)

The financials make concrete what industry-watchers already suspect: Alameda is big. As of June 30, the company's assets amounted to \$14.6 billion. Its single biggest asset: \$3.66 billion of "locked FTT." The third-largest entry on the assets side of the accounting ledger? A \$2.16 billion pile of "FTT collateral."

There are more FTX tokens among its \$8 billion of liabilities: \$292 million of "locked FTT." (The liabilities are dominated by \$7.4 billion of loans.)

"It's fascinating to see that the majority of the net equity in the Alameda business is actually FTX's own centrally controlled and printed-out-of-thin-air token," said Cory Klippsten, CEO of investment platform Swan Bitcoin, who is known for his critical views of altcoins, which refer to cryptocurrencies other than bitcoin (BTC).

Alameda CEO Caroline Ellison declined to comment. FTX didn't respond to a request for comment.

Other significant assets on the balance sheet include \$3.37 billion of "crypto held" and large amounts of the Solana blockchain's native token: \$292 million of "locked SOL," \$863 million of "locked SOL" and \$41 million of "SOL collateral." Bankman-Fried was an early investor in Solana. Other tokens mentioned by name are SRM (the token from the Serum decentralized exchange Bankman-Fried co-founded), MAPS, OXY and FIDA. There is also \$134 million of cash and equivalents and a \$2 billion "investment in equity securities."

Read the latest: [Bitcoin Falls Below \\$17K, First Time in 23 Months, as Binance Said to Waver on FTX Deal](#)

Also, token values may be low. In a footnote, Alameda says "locked tokens conservatively treated at 50% of fair value marked to FTX/USD order book."

Owners of the FTT token get discounts on FTX trading fees, increased commissions on referrals and earn rewards. The value of FTT is maintained by FTX's rolling program of buying back and burning tokens, a process that eats up a third of the exchange's trading commissions, which will continue until half of all tokens are burned, according to FTX.



There are about 197 million FTT tokens worth \$5.1 billion in circulation, according to FTX's website.

Tracy Wang and Oliver Knight contributed reporting to this story.

UPDATE (Nov. 2, 2022, 15:00 UTC): Adds that Alameda's CEO declined to comment, and a comment from Cory Klippsten.

Read more about

Sam Bankman-Fried Alameda Research FTX Exclusive

	BTC	\$17,450	▲ 5.76%	→
	ETH	\$1,299.84	▲ 8.33%	→
	BNB	\$296.39	▲ 6.73%	→
	XRP	\$0.39396178	▲ 8.49%	→



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Ian Allison

an Allison is an award winning senior reporter at CoinDesk. He holds ETH.

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Trending

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Mercados

Ether se vuelve deflacionario y su cantidad quemada aumenta en un mercado volátil provocado por FTX

Nov 11, 2022



2

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Nov 11, 2022



3

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Here's What FTX and Alameda Now Hold on Public Ethereum Wallets

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4

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Cosmos Blockchain Founder Kwon Says He Is Against Proposed Changes to ATOM Token

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English





Thread



CZ Binance ✓
@cz_binance

...

As part of Binance's exit from FTX equity last year, Binance received roughly \$2.1 billion USD equivalent in cash (BUSD and FTT). Due to recent revelations that have come to light, we have decided to liquidate any remaining FTT on our books. 1/4

11:47 PM · 11/6/22 · [Twitter for iPhone](#)

5,032 Retweets **2,958** Quote Tweets **24K** Likes



Who can reply?

People @cz_binance follows or mentioned can reply.



CZ Binance ✓ @cz_bina... · 11/6/22 ...

We will try to do so in a way that minimizes market impact. Due to market conditions and limited liquidity, we expect this will take a few months to complete. 2/4



612



4,724



Opinion **The FT View**

FTX's \$8bn crunch exposes a dog-eat-dog cryptosphere

The near-collapse of Sam Bankman-Fried's empire leaves Binance dominant

THE EDITORIAL BOARD



Spooked customers of Sam Bankman-Fried's FTX withdrew as much as \$6bn from the exchange in three days, eroding the value of its FTT tokens from \$22 to \$5 © FT Montage/Bloomberg

The editorial board 19 HOURS AGO

The trajectory from hero to zero can be swift and brutal, as Sam Bankman-Fried can attest. The 30-year-old boss of FTX, who last year aspired to buy Goldman Sachs, this week saw his on-paper \$24bn fortune crumble, as [his crypto exchange](#) suffered an \$8bn liquidity crunch. SBF marketed himself as the friendly face of crypto, who was — at least ostensibly — engaging with regulators, and [attracting celebrities](#) and blue-chip investors. His empire's downfall leaves a dog-eat-dog cryptosphere that ordinary investors, regulators and politicians should treat with caution.

SBF's woes began on November 2, when [CoinDesk revealed](#) that his hedge fund, Alameda Research, was full of the tokens FTX prints out of thin air, FTT. Of Alameda's \$14.6bn in assets, nearly \$6bn was FTT, with \$2.2bn of it pledged as collateral against loans. Four days later, FTX's arch-rival, Binance, said it would sell its \$580mn of FTT in light of the revelations. This spooked customers, who withdrew as much as \$6bn from FTX in three days, eroding FTT's value from \$22 to \$5. FTX appealed to Binance to rescue it on Tuesday. In a surprise to precisely no one, Binance killed the deal less than two days later, citing inquiries by US securities and futures watchdogs into FTX, and allegedly mishandled customer funds. FTX limps on to find other white knights.

Its travails leave many questions, not least how an exchange, valued in January at \$32bn, could suffer a liquidity crisis if correctly managed. One view is that if a project is based on little more than the greater-fool theory, quite aside from what seems like circular accounting, sooner or later the facade will come crashing down. In April, [SBF likened](#) “yield farming” — a complex crypto lending practice FTX offered — to a box whose value is determined by others’ willingness to contribute more dollars to it, prompting his Bloomberg interviewer to suggest that this sounded much like a Ponzi scheme.

Critically, FTX customers are now frozen out of their accounts. Equity investors, some of whom should have clearly known better — including the Ontario Teachers’ Pension Plan, SoftBank and BlackRock — are expressly not SBF’s top priority. It is, shockingly, the second time this year, after [Celsius Network’s bankruptcy](#), that a Canadian pension fund has been burnt following a bad crypto bet. Pension funds have no business investing customers’ retirement savings in a market as volatile as crypto.

The saga leaves Binance’s Changpeng “CZ” Zhao as top dog, with the world’s biggest crypto exchange. CZ alleged as he sold FTT: “We won’t support people who lobby against other industry players behind their backs.” [SBF later addressed](#) a “particular sparring partner” on Twitter: “Well played, you won.”

Binance’s position should worry watchdogs and lawmakers, given both its sheer size, with more than 28mn users, and its [pugnacious attitude to regulations](#). It has designed itself to be based everywhere, yet nowhere. The US justice department is investigating it over money-laundering controls; Reuters reported this week that Binance processed \$8bn of transactions for Iranian entities since 2018.

Despite exchanges’ importance as a bridge between crypto and fiat currencies, and despite other crypto implosions this year, effective regulation is still not in place. This needs to change, urgently.

CZ has mused, accurately, that FTX holds key lessons, including never using a token you create as collateral. He is also correct to forecast that Binance’s dominance will attract more regulatory scrutiny. It is necessary but will only happen if watchdogs are empowered to police an area of finance that is currently wreaking unnecessary havoc.

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OV 09, 00:22

Binance rescues crypto rival FTX

Joshua Oliver, Scott Chipolina and Nikou Asgari in London

Binance has agreed to buy rival cryptocurrency exchange FTX after a liquidity crisis at the company led by billionaire Sam Bankman-Fried left it facing surging withdrawals and financial difficulties.

"This afternoon, FTX asked for our help," tweeted Binance chief Changpeng Zhao. "There is a significant liquidity crunch. To protect users, we signed a non-binding [letter of intent], intending to fully acquire FTX.com."

The announcement comes after a testing period for FTX, whose FTT token fell 30 per cent on Tuesday. Over the weekend, Binance said it intended to offload its holdings of the token, triggering a crisis of confidence.

"We have come to an agreement on a strategic transaction with Binance," Bankman-Fried said in a tweet on Tuesday, adding that "CZ has done, and will continue to do, an incredible job of building out the global crypto ecosystem, and creating a freer economic world."

FTX confirmed the deal. The two companies did not immediately disclose the terms.

FTX Trading Ltd

Binance ditches deal to rescue rival crypto exchange FTX

Reversal comes as Sam Bankman-Fried tells investors up to \$8bn in funding needed



Binance cited issues 'beyond our control or ability to help' as it walked away from a deal to buy FTX © Reuters

Ortenca Aliaj and James Fontanella-Khan in New York, Joshua Oliver and Scott Chipolina in London and Stefania Palma in Washington NOVEMBER 10 2022

Binance will abandon its deal to rescue Sam Bankman-Fried's FTX cryptocurrency exchange, citing concern about its business practice and investigation by US financial regulators.

The move comes a day after Binance, one of the world's largest crypto trading venues, tentatively agreed to [buy](#) FTX after it suffered a liquidity crunch.

"As a result of corporate due diligence, as well as the latest news reports regarding mishandled customer funds and alleged US agency investigations, we have decided that we will not pursue the potential acquisition of FTX.com," Binance said in a statement late on Wednesday.

Bankman-Fried told investors on Wednesday that FTX needed funding of up to \$8bn after being inundated with withdrawal requests from customers, as its deal with Binance looked certain to fall apart, according to two people familiar with the matter.

The about-turn came as the Securities and Exchange Commission expanded an investigation into [FTX](#), which includes examining the platform's cryptocurrency lending products and the management of customer funds, according to a person familiar with the matter.

Wall Street's top regulator launched the probe months ago but sent additional requests for information after [Binance](#) announced on Tuesday that it would acquire FTX amid a

liquidity crisis, the person added. The agency is also looking into FTX's relationship with a US entity, FTX US.

The Commodity Futures Trading Commission was also investigating the company, Bloomberg reported. The SEC and CFTC declined to comment. FTX did not immediately respond to requests for comment on the regulatory probes.

Bitcoin and other crypto-related assets have fallen sharply over the past two days as traders worry about the fallout of a potential collapse of FTX, one of the biggest crypto trading venues, and Alameda Research, a large digital asset trading firm also controlled by Bankman-Fried.

Bitcoin, the most actively traded cryptocurrency, shed more than 14 per cent to below \$16,000, its lowest level since late 2020. Solana, a coin that counts Alameda as a major backer, dropped 44 per cent, while shares in US-listed crypto exchange Coinbase fell 9.5 per cent. Coinbase declined to comment.

"Markets have now hit full panic," said Jon de Wet, chief investment officer at crypto wealth manager Zerocap. "All hell is breaking loose."

Bitcoin tumbles as FTX suffers liquidity crunch

Bitcoin price, \$



Source: Refinitiv
 © FT

On Wednesday evening, Sequoia Capital told its investors it had written down its stake in FTX to zero. The California-based venture capital firm invested \$213mn in FTX companies in 2021 across two of its funds. A fundraising round in October that year valued FTX at \$25bn.

“We are in the business of taking risk,” Sequoia’s letter to investors said. “At the time of our investment in FTX, we ran a rigorous due diligence process.” FTX made around \$1bn in revenue and more than \$250mn in operating income in 2021, Sequoia said.

The collapse of the shortlived deal between Binance and FTX comes months after high-profile failures of once-prominent crypto groups including lender Celsius Network and hedge fund Three Arrows Capital.

Bankman-Fried earned a reputation as a crypto saviour amid the turmoil, supporting struggling companies including lender BlockFi.

The latest phase of the crypto sell-off is more troubling because the “number of entities with stronger balance sheets able to rescue those with low capital and high leverage is shrinking within the crypto ecosystem”, JPMorgan said on a note on Wednesday.

FTX earlier acknowledged it was unable to meet customers’ withdrawal demands without external funds. “It’s bad for FTX’s clients, they have money trapped in FTX and they can’t get it out,” said Jim Bianco, president of Bianco Research, a consultancy.

Binance chief executive Changpeng Zhao reached an agreement to buy FTX and backstop its customer deposits following just a few hours of negotiations on Tuesday, after Bankman-Fried appealed to his former investor turned rival for help.

“Before that, I had very little knowledge of the internal state of things at FTX,” Zhao said in a memo to his staff on Wednesday.

The Binance boss had hoped to prevent more customers suffering losses after this year’s string of high-profile failures hammered confidence in the sector. He also wanted to forestall a chain reaction of damage to firms exposed to FTX and Alameda through lending or trading positions.

“In the beginning, our hope was to be able to support FTX’s customers to provide liquidity, but the issues are beyond our control or ability to help,” Binance said. “Every time a major player in an industry fails, retail consumers will suffer.”

Additional reporting by Tabby Kinder in San Francisco

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<https://www.wsj.com/articles/sec-investigates-crypto-platform-ftx-11668020379>

MARKETSCURRENCIESCRYPTOCURRENCY

SEC, DOJ Investigating Crypto Platform FTX

Probe focuses on potential securities-law violations by U.S. affiliate



Trading platforms such as FTX should follow the same regulations that apply to traditional stock exchanges, according to the SEC chairman.

PHOTO: DADO RUVIC/REUTERS

By *Paul Kiernan* [Follow](#)

Updated Nov 9, 2022 7 28 pm ET

The Securities and Exchange Commission and Justice Department are investigating cryptocurrency platform FTX following its sudden implosion this week, a person familiar with the matter said.

Staff at the two law-enforcement agencies were in close contact Wednesday, the person added. The Justice Department prosecutes criminal violations such as fraud, while the SEC enforces civil investor-protection laws.

Spokesmen for the Justice Department and SEC declined to comment. FTX didn't respond to requests for comment.

The SEC's investigation, which has been continuing for months, is focused on the company's U.S. subsidiary, FTX.US, which lists dozens of crypto tokens. Agency officials believe some of these assets, as well as FTX's lending product, might constitute securities that, under U.S. law, should have been registered with the SEC before being sold to investors, the person said. If that is the case, then the company's handling of customer assets might also violate laws governing U.S. exchanges.

“We will continue to do our job as a cop on the beat,” SEC Chairman Gary Gensler said in an event hosted on Wednesday by the Healthy Markets Association. “The runway is getting shorter for some of these intermediaries, I have to say.”

As part of the expanded investigation, SEC officials have contacted company lawyers to request more documents pertaining to the relationship between FTX.US and the parent company, based in the Caribbean. They have also sought information about ties between FTX’s crypto exchange and its founder’s trading firm, Alameda Research, the person said.

Even before FTX’s troubles this week, pressure was growing on U.S. regulators to wrangle crypto firms into compliance with investor-protection laws. Cryptocurrencies have shed two-thirds of their value over the past year—more than \$2 trillion across the market—as a series of token issuers, lending platforms and investment vehicles collapsed.

“It’s past time that the SEC brought charges against these exchanges for facilitating the trading of unregistered securities,” said Dennis Kelleher, president of Better Markets, a group that advocates for oversight of the financial sector.

Mr. Gensler has repeatedly demanded that trading platforms such as FTX register with his agency and follow the same regulations that apply to traditional stock exchanges. He and his deputies have vowed to proceed with enforcement campaigns if the firms don’t heed the call.

The SEC is also investigating Coinbase Global Inc. COIN **-3.67%** ▼ and Binance, The Wall Street Journal has reported.

Mr. Gensler, like his Republican-appointed predecessor, has said that most crypto tokens meet the definition of a security: an investment made with the expectation of profits based on the efforts of a third party.

The designation comes with significant requirements. Issuers of securities must file regular disclosures about their financial condition and business. Exchanges are required to publicly report transaction data and maintain robust safeguards against market manipulation. Brokers are required to direct their investors’ buy and sell orders to a trading venue that offers a good price for a security, and they must keep their customers’ assets separate from their own in the event of bankruptcy.

In the regulated securities market, these functions are performed by separate entities. But crypto exchanges handle them all under one roof, creating potential conflicts of interest.

To comply with U.S. law, Mr. Gensler says, crypto platforms would have to segregate their broker-like activities from their exchange-like functions. But this would likely cut into their ability to profit from investors’ trades.

“And the intermediaries, so many of whom have hundreds of tokens on them...are noncompliant with the securities laws and noncompliant with the time-tested public policies,” Mr. Gensler said Wednesday.

There is little evidence his rhetoric has persuaded crypto firms to engage with the SEC. None have heeded his call to register.

Instead, FTX founder Sam Bankman-Fried has spent tens of millions of dollars on political campaigns and much of his own time attempting to persuade U.S. lawmakers to change the statutes that the SEC enforces. Rival Coinbase has denied that it lists securities on its platform and repeatedly criticized Mr. Gensler’s approach toward crypto.

Write to Paul Kiernan at paul.kiernan@wsj.com

Cryptocurrency Markets

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TURNER WRIGHT

NOV 15, 2022

Bahamas' supreme court approves 'provisional liquidators' for FTX

The Securities Commission of the Bahamas said it had to act "given the magnitude, urgency, and international implications of the unfolding events with regard to FTX."

2137

25



1:57



The Supreme Court of the Bahamas has approved two provisional liquidators to oversee the assets of crypto exchange FTX Digital Markets, which is headquartered in the country.

According to a Nov. 14 announcement from the Bahamas' Securities Commission, the country's supreme court approved the appointments of PricewaterhouseCoopers advisory partner Kevin Cambridge and partner Peter Greaves to act as "joint provisional liquidators" for FTX. The securities regulator also applied to have Brian Simms, a senior partner of Bahamas-based commercial law firm Lennox Patton, as a provisional liquidator on Nov. 10.

"Given the magnitude, urgency, and international implications of the unfolding events with regard to FTX, the Commission recognized that it had to, and moved swiftly to use its

Case 2:21-cv-01168-JTP Document 3-1 Filed 12/22/22 Page 52 of 136
regulatory powers [...] to further protect the interests of clients, creditors, and other stakeholders globally of FTX Digital Markets Ltd,” said the Securities Commission.

The regulator added:

“

“Over the coming days and weeks, the Commission expects to engage with other supervisory authorities on a regulator-to-regulator basis as this event is multijurisdictional in nature.”

FTX announced on Nov. 11 that the company would be filing for bankruptcy under Chapter 11 in the United States District of Delaware. The proceedings included more than 130 firms in FTX Group, including FTX Trading, FTX US — under West Realm Shires Services — Alameda Research and its Bahamas-based subsidiary FTX Digital Markets. Sam Bankman-Fried also resigned from his position amid the firm’s liquidity crisis and bankruptcy.

Related: FTX’s ongoing saga: Everything that’s happened until now

The appointment of a provisional liquidator followed the Bahamian securities regulator suspending FTX’s registration status and freezing its local subsidiary’s assets on Nov. 10. The Royal Bahamas Police Force was also reportedly looking into FTX as part of an investigation of possible criminal misconduct.

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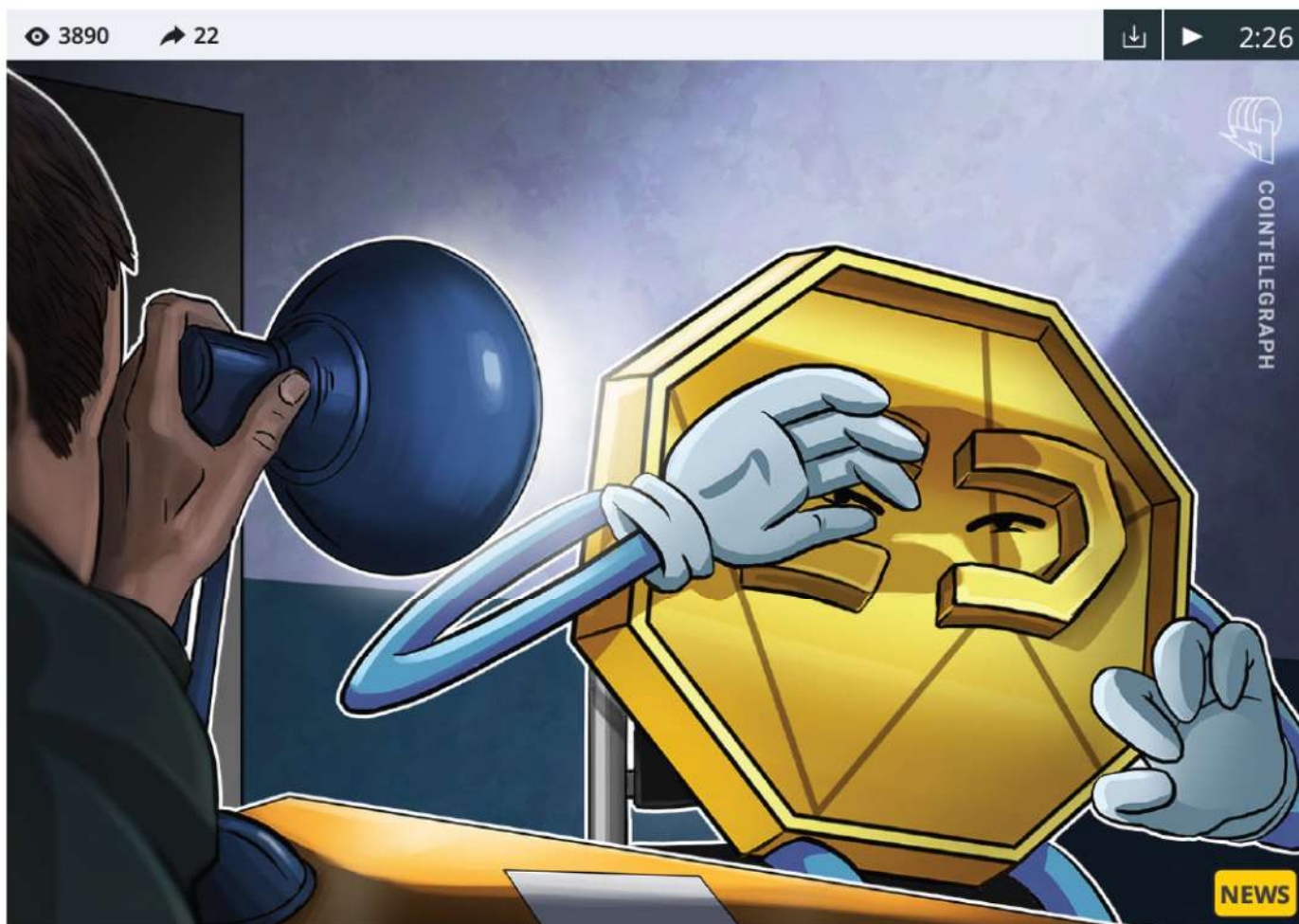
#FTX

 SAVANNAH FORTIS

NOV 11, 2022

California regulators to investigate FTX crypto exchange collapse

The California DFPI announced it will open up an investigation as to the “apparent failure” of FTX and says it takes this oversight very seriously.

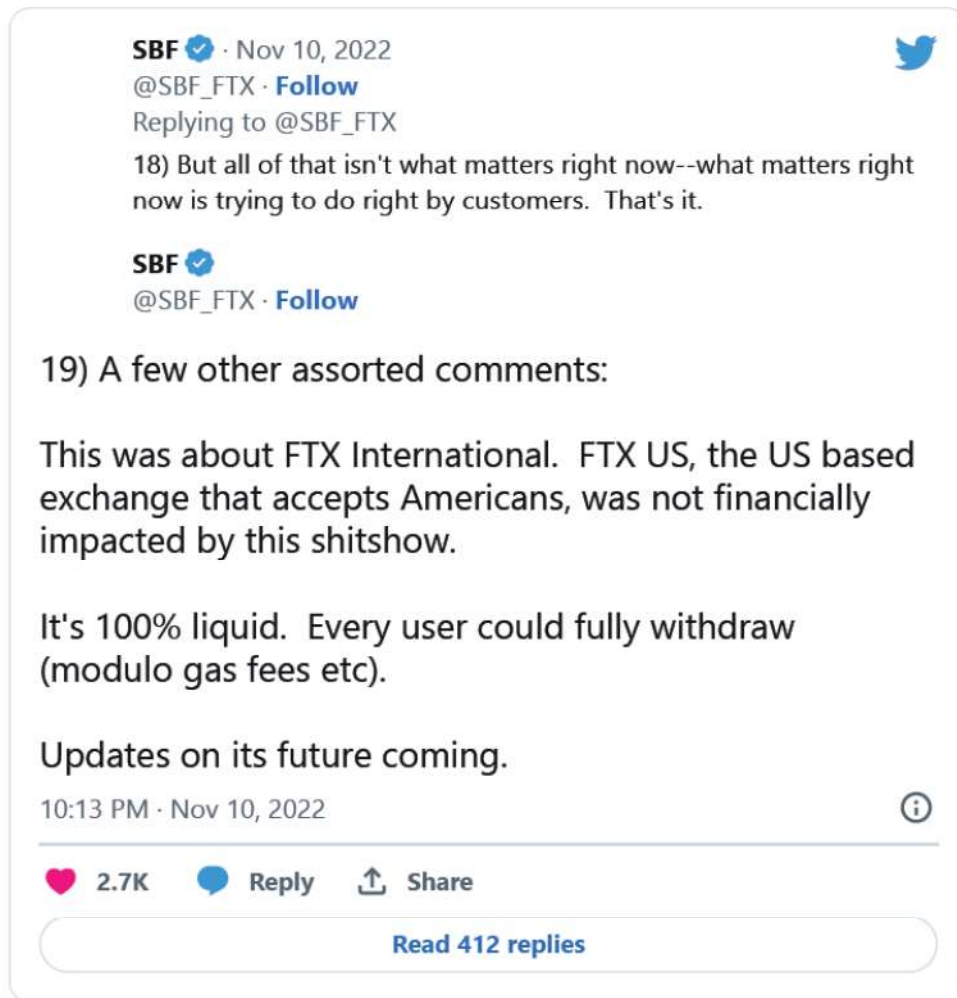


The Department of Financial Protection and Innovation (DFPI) in the state of California announced on Nov. 10 that it will open up an investigation as to the “apparent failure” of the cryptocurrency exchange FTX.

California regulators said in the announcement that the DFPI takes this oversight responsibility “very seriously” and that the department expects all entities offering financial services in the state to comply with local financial laws.

It also encouraged anyone in the state who has been affected by the events of the ongoing FTX saga to call a dedicated hotline.

The state of California is one of many governmental actors within the United States to recently speak out on the matter, despite the fact that FTX claims its U.S. branch is not involved in the incidents.



However, later on Nov. 10, FTX US announced might halt trading on the platform in the upcoming days. Currently on the U.S. website, it states "withdrawals are and will remain open."

Related: FTX turmoil increases scrutiny of industry, something institutional investors have been waiting for

incident as a mechanism to call for more regulations on the crypto industry.

On Nov. 10, Maxine Waters, the chair of the United States House of Representatives Financial Services Committee, called for tighter industry regulations and highlighted that FTX tokens are "worthless" and its customers are in the dark.

The same day saw White House press secretary Karine Jean-Pierre make a statement saying the administration will "closely monitor" activity in the crypto space. Moreover, the "recent news" underscores the need for "prudent regulation" of cryptocurrencies.

U.S. Senators Debbie Stabenow and John Boozman reiterated their commitment to finishing and publishing an upcoming crypto bill in light of the news, also citing the incident.

While all of this was underway, FTX US resigned from the Crypto Council for Innovation.

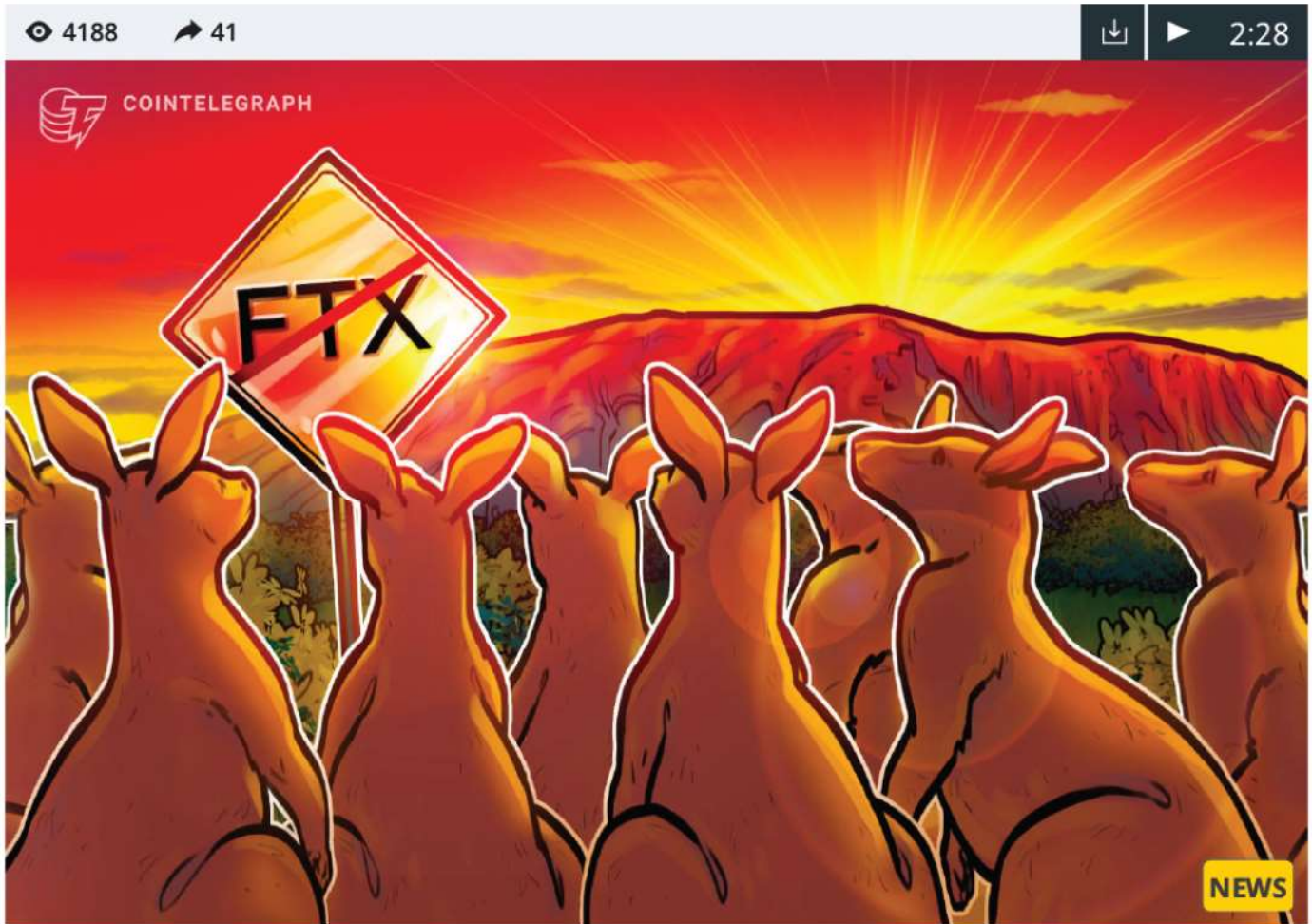


BRAYDEN LINDREA

14 HOURS AGO

FTX Australia's license suspended as 30K Aussies left in the lurch

Three members of a Sydney-based investment and advisory firm are assigned to help Australians impacted by the suspension of the local entity of Sam Bankman-Fried's former crypto empire.



Australia's financial markets regulator has suspended FTX Australia's financial license following the appointment of a voluntary administrator to help nearly 30,000 Australians and 132 Australian companies get their funds back from FTX.

The announcement was made by the Australian Securities and Investments Commission (ASIC) on Nov. 16 local time, which suspended the Australian Financial Services (AFS) license of FTX's local entity until May 15, 2023.

Before its suspension, FTX Australia's AFS license permitted it to create a market for derivatives and foreign exchange contracts to Australian-based retail and wholesale clients.

FTX Australia has however, been permitted to provide limited financial services that strictly relate to the termination of existing derivative contracts with its clients until Dec. 19.

The suspension comes as John Mouawad, Scott Langdon and Rahul Goyal of Sydney-based investment and advisory firm KordaMentha were appointed as voluntary administrators to provide restructuring services to FTX Australia and its subsidiary FTX Express on Nov. 11.

KordaMentha will attempt to recoup the funds of nearly 30,000 Australian investors and 132 Australian companies due to the catastrophic FTX fallout, according to a Nov. 14 report in the Australian Financial Review (AFR).

The report added that FTX Australia employees have been cooperating with KordaMentha's administrators to resolve the matter. FTX founder and former CEO Sam Bankman-Fried are listed as one of the three directors of FTX Australia.

The suspension of FTX Australia's customer-facing operations comes nearly eight months after it was established on March 20, the firm also set up a Sydney-based office for its five employees.

Related: 'Do not delay' — ASIC warns Aussies to look for 10 signs of a crypto scam

Last week 130 firms tied to FTX including FTX US and its partner trading firm Alameda Research filed for Chapter 11 bankruptcy in the United States Code on Nov. 11, the same day that Bankman-Fried also resigned as FTX's CEO.

ASIC noted that FTX Australia has the right to apply to the Administrative Appeals Tribunal to challenge ASIC's decision.

Cointelegraph contacted ASIC and FTX for comment but did not receive a response by the time of publication.

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Business

FTX Has European License Suspended by Cyprus Regulator

The troubled exchange's European arm FTX EU has had its license in Cyprus suspended just two months after securing it.

By Oliver Knight

🕒 Nov 11, 2022 at 7:39 p.m.

Updated Nov 15, 2022 at 4:23 p.m.

f in 🐦 ✉



Sam Bankman-Fried and former U.S. President Bill Clinton at Crypto Bahamas conference in Nassau in April 2022 (Danny Nelson/CoinDesk)

Cryptocurrency exchange FTX has had its license in Cyprus suspended by the jurisdiction's securities regulator following a liquidity crunch that prompted a withdrawal freeze.

"CySEC called upon the Cypriot Investment Firm FTX EU Ltd to suspend its operations and to proceed immediately with a number of actions for the protection of the investors," a person from the Cyprus Securities and Exchange Commission told CoinDesk.

"The Company is regulated by CySEC under the provisions of Investment Services Law and is authorized to provide investment services in derivatives and/or other financial instruments. However, it is not licensed by CySEC to engage in the direct trading of crypto assets."

FTX secured approval for its domain www.ftx.com/eu from the Cyprus Securities and Exchange Commission (CySEC) in March after acquiring local firm K-DNA Financial Services LTD. The entity was later re-named FTX EU LTD. In September, FTX EU said it had secured a CySEC license to operate as a Cyprus investment firm.

The exchange said at the time that the CySEC license enabled it to "serve the whole European Economic Area," which includes the EU as well as Iceland, Liechtenstein and Norway.

After a liquidity crunch triggered the collapse of the multi-billion-dollar crypto enterprise, headquartered in the Bahamas, it had its assets frozen by the country's securities regulator on Thursday as the regulator aims to "preserve assets and stabilize the company."



UPDATE (Nov. 11, 15:15 UTC): Adds quote from CySEC.

UPDATE (Nov. 11, 11:59 UTC): Adds more detail throughout.

UPDATE (Nov. 11, 11:59 UTC): Adds more detail throughout.

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ANA PAULA PEREIRA

NOV 13, 2022

FTX under investigation in the Bahamas for criminal misconduct: Report

The Bahamas securities regulator and financial investigators are reportedly investigating the collapsed crypto exchange.



An investigation of possible criminal misconduct over the insolvency of cryptocurrency exchange FTX is underway by financial investigators and the Bahamas securities regulators, according to a statement by the Royal Bahamas Police Force sent to Reuters on Nov 13.

The Royal Bahamas Police stated:

“

“In light of the collapse of FTX globally and the provisional liquidation of FTX Digital Markets Ltd., a team of financial investigators from the Financial Crimes Investigation Branch are working closely with the Bahamas Securities Commission to investigate if

The investigation comes after the regulator publicly denied FTX allegations over the weekend. On Nov. 11, FTX tweeted that it was instructed by “Bahamian HQ’s regulation and regulators” to facilitate the withdrawal of Bahamian funds. One day later, the securities commission denied instructing or authorizing FTX to prioritize withdrawals for clients in the country.

The statement shared on the SCB’s Twitter page stated:

“

“The Commission wishes to advise that it has not directed, authorized or suggested to FTX Digital Markets, Ltd. the prioritization of withdrawals for Bahamian clients.”

A report from The Wall Street Journal on Nov. 9 suggested that the United States Department of Justice and the Securities and Exchange Commission are also investigating the collapse of the crypto exchange. Also, the Department of Financial Protection and Innovation (DFPI) in the state of California announced on Nov. 10 opening an investigation regarding the “apparent failure” of the exchange.

As reported by Cointelegraph, FTX former CEO Sam Bankman-Fried, co-founder Gary Wang and director of engineering Nishad Singh are understood to be in The Bahamas and are “under supervision” by the local authorities.

Roughly 130 companies in FTX Group — including FTX Trading, FTX US, under West Realm Shires Services, and Alameda Research — had started proceedings to file for bankruptcy in the United States on Nov. 11. Bankman-Fried has also resigned from his position as FTX’S CEC and will be succeeded by John Ray. Zane Tackett, the former head of the institutional arm at FTX, confirmed on Twitter that the exchange currently has liabilities worth \$8.8 billion.

Cointelegraph has reached out to FTX and the Bahamas Police Force for comments, but has not received an immediate response.

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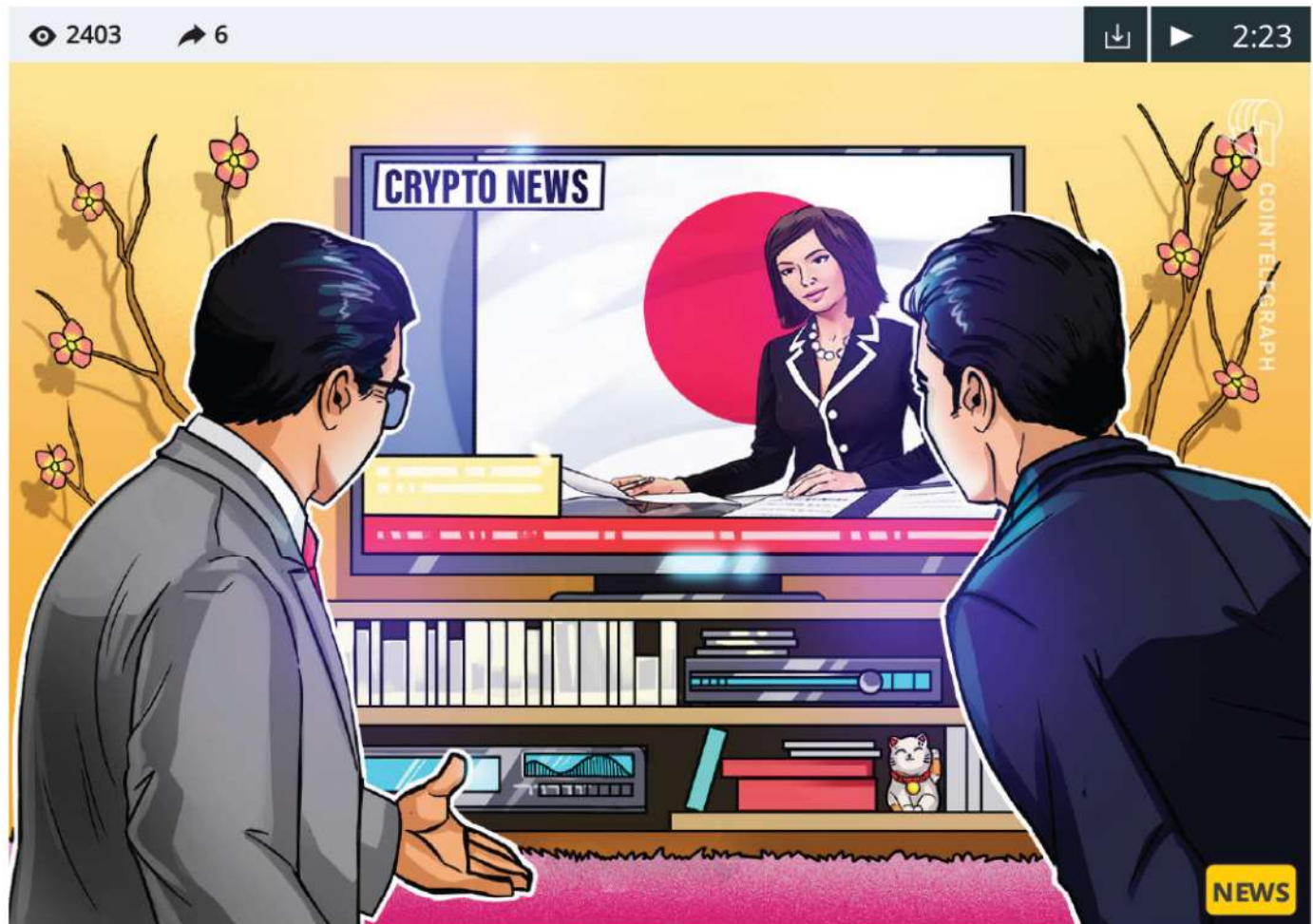


TURNER WRIGHT

NOV 10, 2022

Japan's financial regulator requests FTX Japan halt operations

Under the orders, FTX Japan will be required to suspend OTC derivatives transactions and related margins as well as new deposits from Nov. 10 to Dec. 9 unless the FSA steps in.



The Financial Services Agency, or FSA, of Japan has requested FTX Japan suspend business orders, citing the policies of FTX Trading Limited.

In a Nov. 10 announcement, the FSA said it had taken administrative actions against FTX Japan following FTX Trading Limited's suspension of withdrawals "without explaining the reasons clearly to investors." The financial regulator said it had issued suspension orders and business improvement orders in accordance with Japan's Payment Services Act and Financial Instruments and Exchange Act.

"There have been reports that FTX Trading Limited is facing credit uncertainties," said the FSA "It is necessary to take all possible measures to prevent a situation in which the interests of

creditors and investors are harmed by the outflow to affiliated companies of the company. Therefore, this situation of our company is not recognized as having the necessary system in place to properly carry out [its financial obligations].”

Under the orders, FTX Japan will be required to suspend over-the-counter derivatives transactions and related margins as well as new deposits from users from Nov. 10 to Dec. 9 unless the FSA steps in. The financial regulator also ordered the exchange to hold its asset domestically over the same timeframe, properly reporting liabilities on its balance sheet.

FSA’s business improvement order requires FTX Japan to submit a plan by Nov. 16, which includes how it intends to protect investors and provide transparency on the ongoing situation with FTX:

“

“Until the implementation of the business improvement plan is completed, monthly progress and implementation status shall be reported in writing by the 10th of the following month.”

Related: Japan’s crypto self-regulation ‘experiment’ not working

Formerly the Quoine Corporation, FTX Japan was launched in June by FTX to service Japanese crypto users following the acquisition of the Liquid exchange in February. FTX CEO Sam Bankman-Fried, who recently apologized for not providing transparency around the “liquidity crunch” the exchange was facing, also served as the interim CEO of FTX Japan at launch.

Though Bankman-Fried said United States-based exchange, FTX US — a separate business entity from FTX — “was not financially impacted” by the problems facing the major exchange, it’s unclear how FTX’s difficulties may impact FTX Japan’s business and operations.

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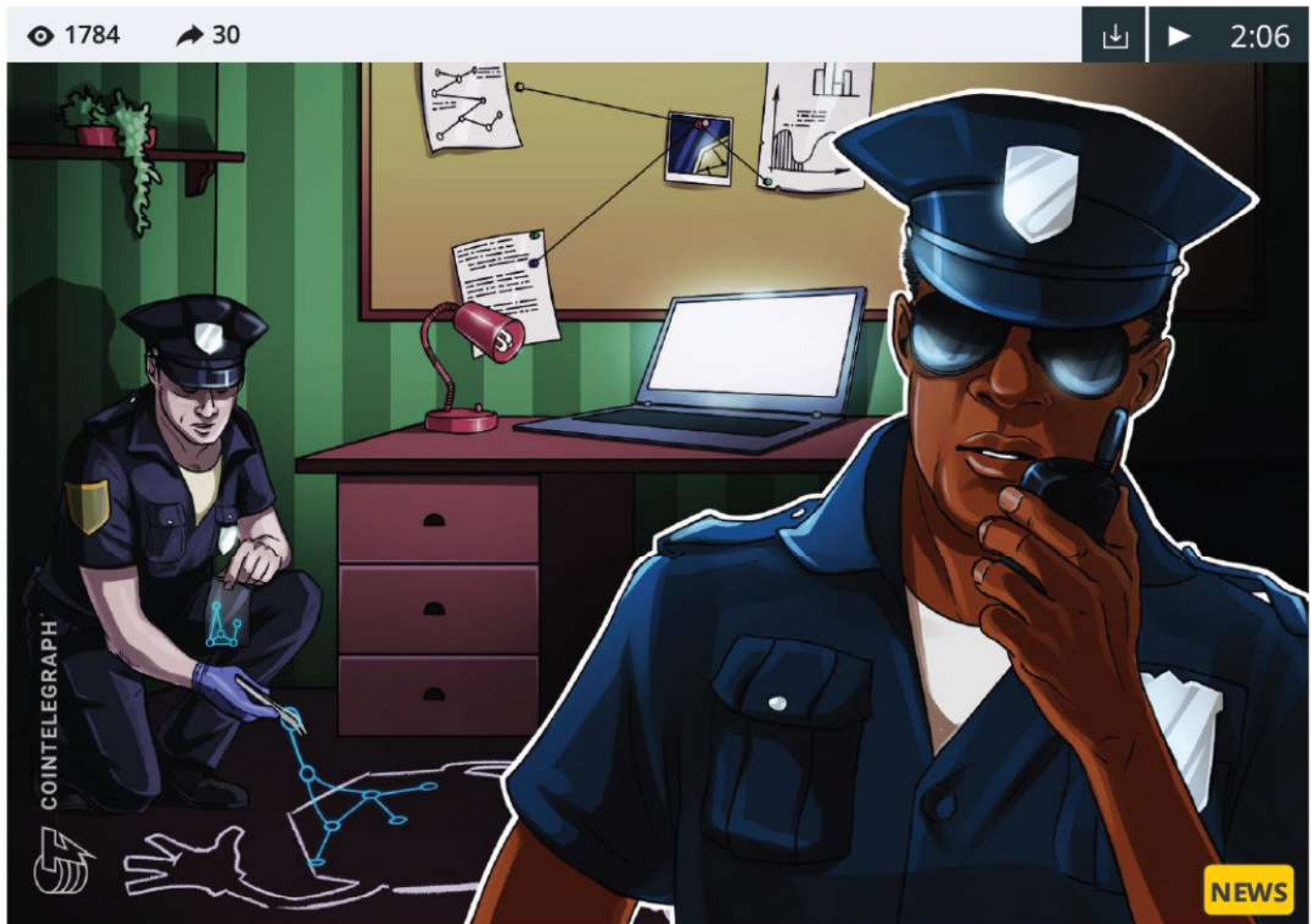


TURNER WRIGHT

NOV 14, 2022

Manhattan District Attorney's Office probes FTX collapse: Report

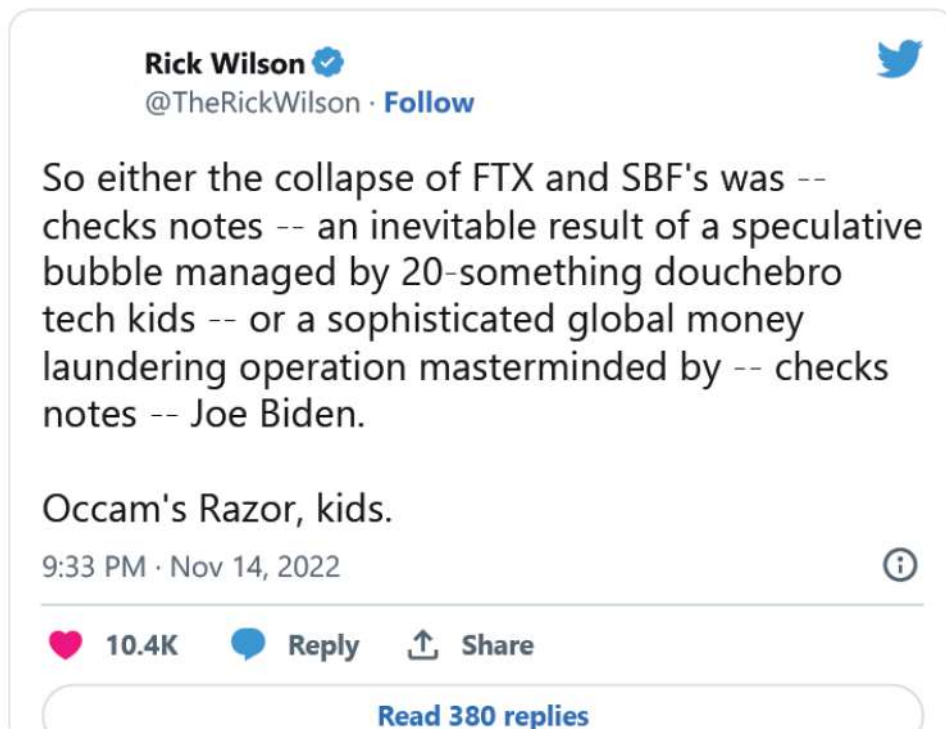
A source with knowledge of the investigations reportedly said New York authorities were looking into the collapse of FTX following the firm declaring bankruptcy on Nov. 11.



Prosecutors with the United States attorney's office in the Manhattan district of New York have reportedly begun investigating the fall of crypto exchange FTX.

According to a Nov. 14 report from Reuters, a source with knowledge of the investigations said authorities in New York were looking into the collapse of the major crypto exchange following FTX declaring bankruptcy on Nov. 11. The report followed news the state of California's Department of Financial Protection and Innovation announced it would be investigating the "apparent failure" of FTX.

The ongoing saga with FTX may be shifting to the regulatory and legal implications of a major crypto exchange collapsing. Rumors have circulated around social media platforms and news



Cointelegraph reported that as of Nov. 12, the FTX co-founder was “under supervision” in the Bahamas — where many FTX staff were based. The country’s securities regulator also ordered FTX’s assets frozen on Nov. 10, and the exchange was reportedly under investigation for criminal misconduct over its insolvency.

Related: FTX’s ongoing saga: Everything that’s happened until now

Bankman-Fried, also known as SBF, has lost his status as a billionaire following the controversy, with many reports suggesting the former FTX CEO’s net worth may have fallen more than 90%. Amid the exchange’s liquidity crisis and bankruptcy filing, SBF has apologized more than once on Twitter, saying he “should have done better” in providing transparency on the situation.

Cointelegraph reached out to the Manhattan District Attorney’s Office but did not receive a response at the time of publication.

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ANA PAULA PEREIRA

NOV 14, 2022

Turkey's financial authority investigates FTX's collapse

The Turkish regulator joined the United States and the Bahamas in investigating the exchange's fall.



Turkey's Financial Crimes Investigation Agency is the latest authority to announce investigations into crypto exchange FTX after its collapse and bankruptcy filing on Nov. 11

Along with FTX, the agency will look into people and institutions related to the platform — including banks, electronic money institutions and crypto-asset providers — according to an official statement from Nov. 14. The regulator also noted that it had been monitoring FTX's activities in accordance with the country's Anti-Money Laundering laws.

FTX Turkey, FTX's regional subsidiary, provided a Google Form for users seeking to receive their funds, without specifying a delivery date. On its website and Twitter account, a note asked users to share their International Bank Account Number address to proceed with the

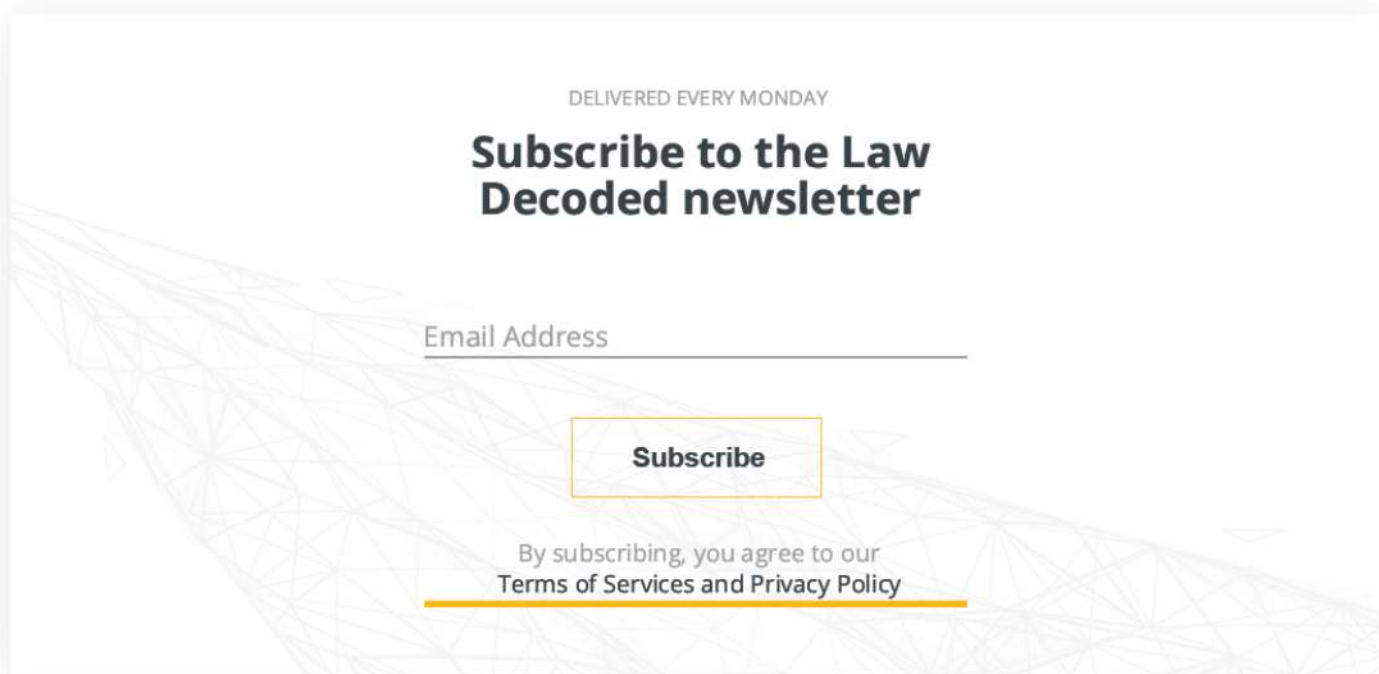
Turkey is one of the most relevant emerging markets for the crypto industry, with nearly 8 million people in the country engaged with cryptocurrencies, according to figures from the local crypto exchange Paribu.

Roughly 130 companies in FTX Group — including FTX Trading, FTX US, under West Realm Shires Services, and Alameda Research — started proceedings to file for bankruptcy in the United States on Nov. 11 following the exchange’s dramatic collapse during the previous days.

In addition to Turkey, the United States and the Bahamas announced investigations into the bankrupt crypto exchange during the past week. In the U.S., the Securities Exchange Commission and the Department of Justice are looking into the matter.

The U.S. Attorney’s Office in the Manhattan district of New York has also begun to investigate the circumstances leading up to the exchange’s fall. The Department of Financial Protection and Innovation in the state of California additionally announced its own investigation regarding the “apparent failure”.

In the Bahamas, an investigation of possible criminal misconduct is underway by financial investigators and securities regulators.





Thread

SBF @SBF_FTX · 1d ...

1) I'm sorry. That's the biggest thing.

I fucked up, and should have done better.

💬 10.6K ↻ 20.5K ❤️ 57.2K ↗

SBF @SBF_FTX · 1d ...

2) I also should have been communicating more very recently.

Transparently--my hands were tied during the duration of the possible Binance deal; I wasn't particularly allowed to say much publicly. But of course it's on me that we ended up there in the first place.

💬 209 ↻ 371 ❤️ 4,782 ↗

SBF @SBF_FTX · 1d ...

3) So here's an update on where things are.

[THIS IS ALL ABOUT FTX INTERNATIONAL, THE NON-US EXCHANGE. FTX US USERS ARE FINE!]

[TREAT ALL OF THESE NUMBERS AS ROUGH. THERE ARE APPROXIMATIONS HERE.]

💬 237 ↻ 579 ❤️ 3,747 ↗

SBF @SBF_FTX · 1d ...

4) FTX International currently has a total



SBF @SBF_FTX · 1d

...

4) FTX International currently has a total market value of assets/collateral higher than client deposits (moves with prices!).

But that's different from liquidity for delivery--as you can tell from the state of withdrawals. The liquidity varies widely, from very to very little.



172



617



3,490



SBF @SBF_FTX · 1d

...

5) The full story here is one I'm still fleshing out every detail of, but as a very high level, I fucked up twice.

The first time, a poor internal labeling of bank-related accounts meant that I was substantially off on my sense of users' margin. I thought it was way lower.



240



717



3,281



SBF @SBF_FTX · 1d

...

6) My sense before:

Leverage: 0x

USD liquidity ready to deliver: 24x average daily withdrawals

Actual:

Leverage: 1.7x

Liquidity: 0.8x Sunday's withdrawals



SBF @SBF_FTX · 1d

...

6) My sense before:

Leverage: 0x

USD liquidity ready to deliver: 24x average daily withdrawals

Actual:

Leverage: 1.7x

Liquidity: 0.8x Sunday's withdrawals

Because, of course, when it rains, it pours. We saw roughly \$5b of withdrawals on Sunday--the largest by a huge margin.

229 857 3,657



SBF @SBF_FTX · 1d

...

7) And so I was off twice.

Which tells me a lot of things, both specifically and generally, that I was shit at.

And a third time, in not communicating enough. I should have said more. I'm sorry--I was slammed with things to do and didn't give updates to you all.

106 256 2,772



SBF @SBF_FTX · 1d

...

8) And so we are where we are. Which sucks, and that's on me.

I'm sorry.

-  **SBF**  @SBF_FTX · 1d ...
- 8) And so we are where we are. Which sucks, and that's on me.
- I'm sorry.
-  137  329  3,003 
-  **SBF**  @SBF_FTX · 1d ...
- 9) Anyway: right now, my #1 priority--by far--is doing right by users.
- And I'm going to do everything I can to do that. To take responsibility, and do what I can.
-  138  321  3,562 
-  **SBF**  @SBF_FTX · 1d ...
- 10) So, right now, we're spending the week doing everything we can to raise liquidity.
- I can't make any promises about that. But I'm going to try. And give anything I have to if that will make it work.
-  159  374  3,256 
-  **SBF**  @SBF_FTX · 1d ...
- 11) There are a number of players who we are in talks with, LOIs, term sheets, etc.
- We'll see how that ends up.
-  83  221  2,530 



SBF  @SBF_FTX · 1d

...

12) Every penny of that--and of the existing collateral--will go straight to users, unless or until we've done right by them.

After that, investors--old and new--and employees who have fought for what's right for their career, and who weren't responsible for any of the fuck ups.

 95  256  2,897 



SBF  @SBF_FTX · 1d

...

13) Because at the end of the day, I was CEO, which means that *I* was responsible for making sure that things went well. *I*, ultimately, should have been on top of everything.

I clearly failed in that. I'm sorry.

 153  383  3,929 



SBF  @SBF_FTX · 1d

...

14) So, what does this mean going forward?

I'm not sure--that depends on what happens over the next week.

But here are some things I know.

 112  208  2,383 



SBF  @SBF_FTX · 1d

...

15) First, one way or another, Alameda Research is winding down trading.



SBF  @SBF_FTX · 1d 

15) First, one way or another, Alameda Research is winding down trading.

They aren't doing any of the weird things that I see on Twitter--and nothing large at all. And one way or another, soon they won't be trading on FTX anymore.

 540  577  3,771 



SBF  @SBF_FTX · 1d 

16) Second, in any scenario in which FTX continues operating, its first priority will be radical transparency--transparency it probably always should have been giving.

Giving as close to on-chain transparency as it can: so that people know **exactly** what is happening on it.

 182  271  2,088 



SBF  @SBF_FTX · 1d 

17) All of the stakeholders would have a hard look at FTX governance. I will not be around if I'm not wanted.

All of the stakeholders--investors, regulators, users--would have a large part to play in how it would be run.

Solely trust.

 107  172  1,748 



SBF  @SBF_FTX · 1d

...

18) But all of that isn't what matters right now--what matters right now is trying to do right by customers. That's it.

 109  135  1,823 



SBF  @SBF_FTX · 1d

...

19) A few other assorted comments:

This was about FTX International. FTX US, the US based exchange that accepts Americans, was not financially impacted by this shitshow.

It's 100% liquid. Every user could fully withdraw (modulo gas fees etc).

Updates on its future coming.

 282  465  2,461 



SBF  @SBF_FTX · 1d

...

20) At some point I might have more to say about a particular sparring partner, so to speak.

But you know, glass houses. So for now, all I'll say is:

well played; you won.

 1,410  3,131  7,501 



SBF 
@SBF_FTX

...



SBF 
@SBF_FTX



21) NOT ADVICE, OF ANY KIND, IN
ANY WAY

I WAS NOT VERY CAREFUL WITH MY
WORDS HERE, AND DO NOT MEAN
ANY OF THEM IN A TECHNICAL OR
LEGAL SENSE; I MAY WELL HAVE
NOT DESCRIBED THINGS RIGHT
though I'm trying to be transparent.
I'M NOT A GOOD DEV AND
PROBABLY MISDESCRIBED
SOMETHING.

10:13 PM · 11/10/22 · [Twitter Web App](#)

343 Retweets **593** Quote Tweets **3,145** Likes



SBF  @SBF_FTX · 1d



Replying to [@SBF_FTX](#)

22) And, finally:

I sincerely apologize.

We'll keep sharing updates as we have



Thread

21) NOT A DEV, OR ANYTHING, IN
ANY WAY

I WAS NOT VERY CAREFUL WITH MY
WORDS HERE, AND DO NOT MEAN
ANY OF THEM IN A TECHNICAL OR
LEGAL SENSE; I MAY WELL HAVE
NOT DESCRIBED THINGS RIGHT
though I'm trying to be transparent.
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10:13 PM · 11/10/22 · [Twitter Web App](#)

343 Retweets **593** Quote Tweets **3,145** Likes



SBF @SBF_FTX · 1d



Replying to @SBF_FTX

22) And, finally:

I sincerely apologize.

We'll keep sharing updates as we have
them.



2,456



725



5,179



<https://www.wsj.com/articles/ftx-founder-sam-bankman-fried-attempts-to-raise-fresh-cash-despite-bankruptcy-11668520573>

◆ **WSJ NEWS EXCLUSIVE** CRYPTOCURRENCY

FTX Founder Sam Bankman-Fried Attempts to Raise Fresh Cash Despite Bankruptcy

Alongside a few remaining employees, Mr. Bankman-Fried spent the weekend calling around in search of new commitments from investors



Sam Bankman-Fried has resigned as chief executive of FTX, which has filed for bankruptcy protection.

PHOTO: SAUL LOEB/AGENCE FRANCE-PRESSE/GETTY IMAGES

By *Caitlin Ostroff* [Follow](#) , *Vicky Ge Huang* [Follow](#) and *Berber Jin* [Follow](#)

Nov. 15, 2022 8:56 am ET

FTX filed for bankruptcy last week, but the cryptocurrency exchange's founder still thinks that he can raise enough money to make users whole, according to people familiar with the matter.

Mr. Bankman-Fried, alongside a few remaining employees, spent the past weekend calling around in search of commitments from investors to plug a shortfall of up to \$8 billion in the hopes of repaying FTX's customers, the people said.

WSJ Live Q&A

The Crypto Crisis: A Conversation With Coinbase's Alesia Haas

In one week, FTX went from being one of the biggest cryptocurrency exchanges to bankruptcy, shaking the entire digital-asset market. Join Coinbase CFO Alesia Haas at 4 p.m. ET on Nov. 16 as she discusses what comes next for the industry.

Submit Your Questions

The efforts to cover that shortfall have so far been unsuccessful. The Wall Street Journal couldn't determine what Mr. Bankman-Fried is offering in return for any potential cash infusion, or whether any investors have committed.

FTX filed for bankruptcy protection Friday, and Mr. Bankman-Fried resigned as chief executive of the company. He remains its largest shareholder. The bankruptcy announcement shocked FTX customers who had hoped they could recover assets. Now-deleted tweets from Mr. Bankman-Fried in the days before the filing assured users that the company was "fine."

Companies under bankruptcy protection sometimes receive loans meant to help maintain operations. Debtor-in-possession financing means that if companies survive, the first funds they earn will go toward paying down that lifeline. It is less common for a company to try to raise fresh equity capital early on in the bankruptcy process, since debtholders hold priority over any remaining assets.

Even if Mr. Bankman-Fried were successful in raising funds, he would likely have to negotiate with creditors and gain approval from bankruptcy court officials.

In Mr. Bankman-Fried's case, the funds aren't meant to sustain a bare-bones staff, but to repay individual traders and institutional clients who have been unable to get funds out, the people said.

FTX lent billions of dollars worth of customer assets to fund risky bets by its affiliated trading firm, Alameda Research, the Journal has reported, setting the stage for its quick collapse. Mr. Bankman-Fried told investors last week he needed emergency funding to cover a shortfall of up to \$8 billion due to withdrawal requests.

FTX's bankruptcy could involve more than one million creditors, its lawyers said in court filings late Monday. Before the chapter 11 filing, Mr. Bankman-Fried had spoken to companies including rival crypto exchanges Coinbase and Kraken, plus hedge funds and venture capital investors in the hope of a bailout, according to people familiar with those talks. His largest rival, Binance, agreed briefly to buy FTX, before backing out.

The amount needed to make FTX solvent would likely be multiples of the \$1.9 billion the company raised during its existence. FTX's most recent funding round was in January, when it raised \$400 million from a long list of Silicon Valley and Wall Street names, including Tiger Global and SoftBank Group Corp.

During the summer, FTX initiated talks to raise a further \$1 billion from investors, with the goal of acquiring companies in the market downturn, according to people familiar with the efforts. FTX hoped to close the round in September but struggled to, the people said. Mr. Bankman-Fried visited the Middle East in the weeks before the firm's collapse in a quest to secure funds, the people said.

Write to Caitlin Ostroff at caitlin.ostroff@wsj.com, Vicky Ge Huang at vicky.huang@wsj.com and Berber Jin at berber.jin@wsj.com

Cryptocurrency Turbulence

Related coverage from the FTX bankruptcy, selected by the editors

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NEWSLETTER**

Fed Official Says Crypto Turmoil Highlights Risks

The Digital Coin at Heart of Crypto Exchange's Fall

How FTX's CEO Went From Crypto Golden Boy to Villain

FTX Collapse Sets Back Crypto Agenda in Washington

FTX Debacle Could Drag Down Decentralized Crypto

Binance Chief Scrambles to Shore Up Digital Currencies

Bitcoin Investors May Need to Act Soon to Reduce Tax Bill

Streetwise: What We Can Learn From FTX Moment

FTX held less than \$1bn in liquid assets against \$9bn in liabilities

Vast gap highlights the dire state of Sam Bankman-Fried's exchange before it collapsed into bankruptcy



FTX secured backing from blue-chip investors and became a major donor to the US Democratic party during its meteoric rise © REUTERS

Antoine Gara in New York and **Kadhim Shubber** and **Joshua Oliver** in London NOVEMBER 13 2022

Sam Bankman-Fried's main international FTX exchange held just \$900mn in easily sellable assets against \$9bn of liabilities the day before it collapsed into bankruptcy, according to [investment materials](#) seen by the Financial Times.

The largest portion of those liquid assets listed on a FTX international balance sheet dated Thursday was \$470mn of Robinhood shares owned by a Bankman-Fried vehicle not listed in Friday's bankruptcy filing, which included 134 corporate entities.

The document, shared with prospective investors before the bankruptcy, provides a detailed picture of the financial hole in the FTX crypto empire and suggests customers of FTX international may face steep losses on cash and crypto assets they held on the exchange.

FTX's collapse has delivered a powerful blow to a crypto industry already reeling from a string of corporate failures this year.

Bankman-Fried had been a leading figure in the sector and had [presented himself](#) as an entrepreneur keen to bring the wild west crypto market in line with mainstream regulation. The 30-year-old had secured backing from blue-chip investors, became a major donor to the US Democratic party and plastered his FTX exchange's logo on the Miami Heat arena during his meteoric rise following the founding of his trading venue in 2019.

Bankman-Fried on Friday put his \$32bn international exchange, along with FTX US and his trading firm Alameda Research, into bankruptcy proceedings in federal court in Delaware.

Case 22-11068-JTD Doc 292-3 Filed 12/22/22 Page 80 of 136

John J. Ray, the veteran cryptocurrency trader who brought the bankruptcy to FTX chief executive, said on Friday that the cryptocurrency group “has valuable assets” and that the bankruptcy proceedings would allow the company to “assess the situation and . . . maximise recoveries for stakeholders”.

The process has already run into issues after barely 24 hours, incorrectly listing entities FTX did not own in its initial filing and suffering an apparent [hack](#) on Friday night.

FTX declined to comment.

Friday’s [bankruptcy filing](#) provided few details on the group’s financial health but said both assets and liabilities range between \$10bn-\$50bn, and that the number of creditors exceeds 100,000.

A spreadsheet listing FTX international’s assets and liabilities, seen by the Financial Times, point at the issues that brought Bankman-Fried crashing back down to earth. It references \$5bn of withdrawals last Sunday, and a negative \$8bn entry described as “hidden, poorly internally labeled ‘fiat@’ account”.

Bankman-Fried told the Financial Times the \$8bn related to funds “accidentally” extended to his trading firm, Alameda, but declined to comment further. Earlier this week, he [tweeted](#) that FTX international had \$4bn in easily tradeable assets when it faced Sunday’s \$5bn surge of withdrawals.

“There were many things I wish I could do differently than I did, but the largest are represented by these two things: the poorly labeled internal bank-related account [sic], and the size of customer withdrawals during a run on the bank,” the spreadsheet adds.

In the investment materials, FTX Trading Ltd, the company behind the main international exchange, is recorded as having liabilities of \$8.9bn, the biggest portion of which is \$5.1bn of US dollar balances.

Healthy companies typically have assets that match or exceed their liabilities. The spreadsheet says FTX Trading had a total of \$9.6bn of assets, but it is unclear how much of that value could be realised.

The vast majority of FTX Trading’s recorded assets are either illiquid venture capital investments or crypto tokens that are not widely traded, according to the spreadsheet, which cautions that the figures “are rough values, and could be slightly off; there is also obviously a chance of typos etc. They also change a bit over time as trades happen.”

The company’s biggest asset as of Thursday was \$2.2bn worth of a cryptocurrency called Serum. Serum’s total market value was \$88mn on Saturday, according to data provider CryptoCompare, suggesting FTX’s holdings would be worth far less if sold into the market. CryptoCompare’s figures take into account the coin’s liquidity.

On Friday, the Financial Times [reported](#) that Alameda and FTX between them had some \$5.4bn of illiquid venture capital investments, according to other documents provided to investors earlier in the week.

Bankman-Fried had been racing to raise emergency funding but was unable to persuade investors to rescue his collapsed business empire.

The new investment materials show that he was seeking to raise \$6bn-\$10bn including from a convertible preferred stock paying a 10 per cent dividend that could later be converted into common equity in FTX international at a valuation of between \$12bn-\$15bn. "This is just a lower bound on the terms investors can get," the materials add.

Until Friday afternoon, Bankman-Fried was looking to sell the \$472mn of Robinhood shares, the largest liquid asset listed for FTX Trading, in privately negotiated deals he was arranging on the messaging app Signal, according to a person directly involved in the negotiations.

The person noted that the Robinhood shares were held by an Antigua and Barbuda entity called Emergent Fidelity, which is personally controlled by Bankman-Fried, according to US [securities filings](#). Emergent Fidelity is not among the entities listed in Friday's bankruptcy filing.

Bankman-Fried was entertaining offers at an about 20 per cent discount to Robinhood's volume-weighted average price, or about \$9 per share, said the investor, who ultimately declined to buy due to perceived legal risks.

Bankman-Fried [acquired](#) a 7.6 per cent stake in Robinhood in May and had intimated at considering a full acquisition of the popular trading app.

The second-biggest liquid asset was \$200mn of cash held with Ledger Prime, a crypto investment firm owned by Alameda. The documents record no other US dollar balances held by FTX Trading.

In all, the spreadsheet says FTX Trading's assets were \$900mn of "liquid" assets, \$5.5bn of "less liquid" assets consisting of crypto tokens, and \$3.2bn of illiquid private equity investments. There is also an obscure \$7mn holding called "TRUMPLOSE". There are no bitcoin assets listed, despite bitcoin liabilities of \$1.4bn.

Other documents provided to investors say that FTX US, Bankman-Fried's onshore exchange, held \$115mn of cash. Of that sum, \$48mn was listed as corresponding to customer US dollar balances of \$60mn.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	Note: all of these are rough values, and could be slightly off; there is also obviously a chance of typos etc. They also change a bit over time as trades happen.																		
2		Liabilities:																	
3		Assets:																	
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100		Liabilities:	8,859,042,572																

Fill in this information to identify the case:

United States Bankruptcy Court for the:

____ District of Delaware
(State)Case number (if known): _____ Chapter 11☐ Check if this is an amended filing**Official Form 201****Voluntary Petition for Non-Individuals Filing for Bankruptcy**

06/22

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name FTX Trading Ltd.

2. All other names debtor used in the last 8 years _FTX.com_

Include any assumed names, trade names, and *doing business* as names

3. Debtor's federal Employer Identification Number (EIN) 8 4 - 2 8 1 3 2 8 8

4. Debtor's address

Principal place of business		Mailing address, if different from principal place of business
10-11	Mandolin Place, Friars Hill Road	
Number	Street	Number Street
		P.O. Box
St. John's	AG-04	
City	State ZIP Code	City State ZIP Code
Antigua and Barbuda		Location of principal assets, if different from principal place of business
County		Number Street
		City State ZIP Code

5. Debtor's website (URL) www.ftx.com

Debtor	FTX Trading Ltd. <small>Name</small>	Case number (if known)
--------	---	------------------------

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))

☐ Partnership (excluding LLP)

☐ Other. Specify: _____

7. Describe debtor's business

A. Check one:

☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))

☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))

☐ Railroad (as defined in 11 U.S.C. § 101(44))

☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))

☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))

☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))

☒ None of the above

B. Check all that apply:

☐ Tax-exempt entity (as described in 26 U.S.C. § 501)

☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)

☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

5 2 3 9

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:

☐ Chapter 7

☐ Chapter 9

☒ Chapter 11. *Check all that apply:*

☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$3,024,725. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).

☐ The debtor is a debtor as defined in 11 U.S.C. § 1182(1), its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$7,500,000, and it chooses to proceed under Subchapter V of Chapter 11. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).

☐ A plan is being filed with this petition.

☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.

☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

Debtor	FTX Trading Ltd. <small>Name</small>	Case number (if known) _____
--------	---	------------------------------

9. **Were prior bankruptcy cases filed by or against the debtor within the last 8 years?** ☒ No
 If more than 2 cases, attach a separate list. ☐ Yes. District _____ When _____ Case number _____
MM / DD / YYYY

District _____ When _____ Case number _____
MM / DD / YYYY

10. **Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?** ☐ No
☒ Yes. Debtor See Annex 1 Relationship _____
 District _____ When _____
MM / DD / YYYY
 Case number, if known _____

List all cases. If more than 1, attach a separate list.

11. **Why is the case filed in this district?** *Check all that apply:*

☐ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

☒ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. **Does the debtor own or have possession of any real property or personal property that needs immediate attention?** ☒ No
☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? *(Check all that apply.)*

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.
 What is the hazard? _____

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☐ Other _____

Where is the property? _____
Number Street

City State ZIP Code

Is the property insured?

☐ No

☐ Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information

Debtor FTX Trading Ltd.
Name

Case number (if known) _____

13. Debtor's estimation of available funds

Check one:

- ☒ Funds will be available for distribution to unsecured creditors.
- ☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors*

- | | | |
|----------------------------------|--|---|
| <input type="checkbox"/> 1-49 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 25,001-50,000 |
| <input type="checkbox"/> 50-99 | <input type="checkbox"/> 5,001-10,000 | <input type="checkbox"/> 50,001-100,000 |
| <input type="checkbox"/> 100-199 | <input type="checkbox"/> 10,001-25,000 | <input checked="" type="checkbox"/> More than 100,000 |
| <input type="checkbox"/> 200-999 | | |

15. Estimated assets*

- | | | |
|--|--|---|
| <input type="checkbox"/> \$0-\$50,000 | <input type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input type="checkbox"/> \$10,000,001-\$50 million | <input type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input checked="" type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

16. Estimated liabilities*

- | | | |
|--|--|---|
| <input type="checkbox"/> \$0-\$50,000 | <input type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input type="checkbox"/> \$10,000,001-\$50 million | <input type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input checked="" type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor


The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 11/11/2022
MM / DD / YYYY

 /s/ John J. Ray

Signature of authorized representative of debtor

Title Chief Executive Officer

John J. Ray III

Printed name

*Estimates provided on a consolidated basis as of December 31, 2021.

Debtor	FTX Trading Ltd. <small>Name</small>		Case number (if known)
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18. Signature of attorney

<p>X <u>/s/ Adam G. Landis</u></p> <p><small>Signature of attorney for debtor</small></p> <p><u>Adam G. Landis</u></p> <p><small>Printed name</small></p> <p><u>Landis Rath & Cobb LLP</u></p> <p><small>Firm name</small></p> <p><u>919 North Market Street, Suite 1800</u></p> <p><small>Number Street</small></p> <p><u>Wilmington</u></p> <p><small>City</small></p> <p><u>(302) 467-4400</u></p> <p><small>Contact phone</small></p> <p><u>3407</u></p> <p><small>Bar number</small></p>	<p><small>Date</small> <u>11/11/2022</u></p> <p><small>MM / DD / YYYY</small></p> <p><small>DE</small> <u>19801</u></p> <p><small>State ZIP Code</small></p> <p><u>landis@lrclaw.com</u></p> <p><small>Email address</small></p> <p><small>DE</small></p> <p><small>State</small></p>
--	---

Fill in this information to identify the case and this filing:

Debtor Name FTX Trading Ltd

United States Bankruptcy Court for the: _____ District of Delaware
(State)

Case number (if known): _____

Official Form 202**Declaration Under Penalty of Perjury for Non-Individual Debtors**

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ Amended Schedule _____
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 50 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☒ Other document that requires a declaration Corporate Ownership Statement

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 11/11/2022
MM / DD / YYYY

 /s/ John J. Ray

Signature of individual signing on behalf of debtor

John J. Ray III

Printed name

Chief Executive Officer

Position or relationship to debtor

ANNEX 1

Pending Bankruptcy Cases Filed by the Debtor and Affiliates of the Debtor

On the date hereof, each of the entities listed below (collectively, the “Debtors”) filed a petition in the U.S. Bankruptcy Court for the District of Delaware for relief under Title 11 of the United States Code. The Debtors intend to move for joint administration of these cases under the case number assigned to the Chapter 11 case of FTX Trading Ltd.

1. Alameda Aus Pty Ltd
2. Alameda Global Services Ltd.
3. Alameda Research (Bahamas) Ltd
4. Alameda Research Holdings Inc.
5. Alameda Research KK
6. Alameda Research LLC
7. Alameda Research Ltd
8. Alameda Research Pte Ltd
9. Alameda Research Yankari Ltd
10. Alameda TR Ltd
11. Alameda TR Systems S. de R. L.
12. Allston Way Ltd
13. Altalix Ltd
14. Analisya Pte Ltd
15. Atlantis Technology Ltd.
16. B for Transfer Egypt
17. B Payment Services Nigeria
18. B Transfer Services Ltd
19. B Transfer Services Ltd. UAE
20. B Transfer Services Uganda
21. Bancroft Way Ltd
22. BitPesa Kenya Ltd.
23. BitPesa RDC SARL
24. BitPesa Senegal Ltd.
25. BitPesa South Africa

26. BitPesa Tanzania Ltd.
27. BitPesa Uganda Ltd.
28. Bitvo, Inc.
29. Blockfolio Holdings, Inc.
30. Blockfolio, Inc.
31. Blue Ridge Ltd
32. BT Payment Services Ghana
33. BT Payment Services South Africa
34. BT Payments Uganda
35. BT Pesa Nigeria Ltd.
36. BTC Africa S.A.
37. BTLS Limited Tanzania
38. Cardinal Ventures Ltd
39. Cedar Bay Ltd
40. Cedar Grove Technology Services, Ltd
41. Clifton Bay Investments LLC
42. Clifton Bay Investments Ltd
43. CM-Equity AG
44. Corner Stone Staffing
45. Cottonwood Grove Ltd
46. Cottonwood Technologies Ltd.
47. Crypto Bahamas LLC
48. DAAG Trading, DMCC
49. Deck Technologies Holdings LLC
50. Deck Technologies Inc.
51. Deep Creek Ltd
52. Digital Custody Inc.
53. Euclid Way Ltd
54. Exchange 4 Free Seychellen
55. Exchange 4Free Australia Br.
56. Exchange 4Free Ltd.

57. Exchange 4Free South Africa Br.
58. Exchange 4Free Swiss Branch
59. Finfax Company
60. FTX (Gibraltar) Ltd
61. FTX Canada Inc
62. FTX Certificates GmbH
63. FTX Crypto Services Ltd.
64. FTX Digital Assets LLC
65. FTX Digital Holdings (Singapore) Pte Ltd
66. FTX EMEA Ltd.
67. FTX Equity Record Holdings Ltd
68. FTX Europe AG
69. FTX Exchange FZE
70. FTX Hong Kong Ltd
71. FTX Japan Holdings K.K.
72. FTX Japan K.K.
73. FTX Japan Services KK
74. FTX Lend Inc.
75. FTX Marketplace, Inc.
76. FTX Products (Singapore) Pte Ltd
77. FTX Property Holdings Ltd
78. FTX Services Solutions Ltd.
79. FTX Structured Products AG
80. FTX Switzerland GmbH
81. FTX Trading GmbH
82. FTX Trading Ltd
83. FTX TURKEY TEKNOLOJİ VE TİCARET ANONİM ŞİRKET
84. FTX US Derivatives LLC
85. FTX US Services, Inc.
86. FTX US Trading, Inc
87. FTX Vault Trust Company

88. FTX Ventures Ltd
89. FTX Ventures Partnership
90. FTX Zuma Ltd
91. GG Trading Terminal Ltd
92. Global Compass Dynamics Ltd.
93. Good Luck Games, LLC
94. Goodman Investments Ltd.
95. Hannam Group Inc
96. Hawaii Digital Assets Inc.
97. Hilltop Technology Services LLC
98. Hive Empire Trading Pty Ltd
99. Innovatia Ltd
100. Island Bay Ventures Inc
101. K-DNA Financial Services Ltd
102. Killarney Lake Investments Ltd
103. Ledger Holdings Inc.
104. LedgerPrime Bitcoin Yield Enhancement Fund, LLC
105. LedgerPrime Bitcoin Yield Enhancement Master Fund LP
106. LedgerPrime Digital Asset Opportunities Fund, LLC
107. LedgerPrime Digital Asset Opportunities Master Fund LP
108. Ledger Prime LLC
109. LedgerPrime Ventures, LP
110. Liquid Financial USA Inc.
111. LiquidEX LLC
112. Liquid Securities Singapore Pte Ltd
113. LT Baskets Ltd.
114. Maclaurin Investments Ltd.
115. Mangrove Cay Ltd
116. North Dimension Inc
117. North Dimension Ltd
118. North Wireless Dimension Inc

- 119. Paper Bird Inc
- 120. Pioneer Street Inc.
- 121. Quoine India Pte Ltd
- 122. Quoine Pte Ltd
- 123. Quoine Vietnam Co. Ltd
- 124. SNG INVESTMENTS YATIRIM VE DANIŞMANLIK ANONİM ŞİRKETİ
- 125. Strategy Ark Collective Ltd.
- 126. Technology Services Bahamas Limited
- 127. Tigetwit Ltd
- 128. TransferZero
- 129. Verdant Canyon Capital LLC
- 130. West Innovative Barista Ltd.
- 131. West Realm Shires Financial Services Inc.
- 132. West Realm Shires Services Inc.
- 133. Western Concord Enterprises Ltd.
- 134. Zubr Exchange Ltd


Omnibus Corporate Authority

I, Samuel Benjamin Bankman-Fried, as controlling owner, director, officer, manager or other authorized person with respect to West Realm Shires Inc., Paper Bird Inc., Hilltop Technology Services LLC, Cedar Grove Technologies Services, Ltd., FTX Trading Ltd, Alameda Research LLC and Clifton Bay Investments LLC (the “Top Companies”), and all of their directly and indirectly owned subsidiaries (together with the Top Companies, the “FTX Group”), hereby authorize, instruct and consent to the following corporate actions with respect to all members of the FTX Group:

- (i) the appointment of John J. Ray III (the “CEO”) as Chief Executive Officer with plenary authority to exercise all powers and authority capable of delegation to an officer under applicable law, including without limitation in connection with a voluntary filing for protection from creditors under Title 11 of the United States Code and any restructuring and insolvency-related proceeding that may be appropriate or necessary, or may be commenced by third parties, with respect to all members of the FTX Group;
- (ii) the execution and delivery of any agreements, documents or instruments the CEO determines to be appropriate in connection with the foregoing;
- (iii) the retention of counsel and other advisors, and the execution and delivery of any agreements, documents or instruments in connection with the foregoing;
- (iv) the appointment of Stephen Neal (if willing to serve) as Chairman of the Board, to the extent applicable law permits me to so designate him as such, and one to three other individuals chosen by the CEO and not affiliated with me or the CEO as new directors of FTX Trading Ltd.;
- (v) the appointment of Stephen Neal (if willing to serve) as Chairman of the Board, to the extent applicable law permits me to so designate him as such, and one to three other individuals chosen by the CEO and not affiliated with me or the CEO as new directors of Alameda Research Ltd.;
- (vi) the appointment of Stephen Neal (if willing to serve) as Chairman of the Board, to the extent applicable law permits me to so designate him as such, and one to three other individuals chosen by the CEO and not affiliated with me or the CEO as new directors of West Realm Shires Inc.;
- (vii) if the CEO shall so determine, the appointment of one or more individuals chosen by the CEO and not affiliated with me as director of other members of the FTX Group;
- (iv) the performance of any and all such acts as are reasonable, advisable, expedient, convenient, proper or necessary to effect the foregoing.

It is my wish that the CEO consult with my counsel at Paul, Weiss, Rifkind, Wharton & Garrison LLP with respect to the foregoing director appointments.

Date: November 10, 2022

DocuSigned by:

 672DA88132804B9
 Samuel Benjamin Bankman-Fried

CORPORATE OWNERSHIP STATEMENT

Pursuant to rules 1007(a)(1) and 7007.1 of the Federal Rules of Bankruptcy Procedure, FTX Trading Ltd., on behalf of itself and certain of its affiliates as debtors and debtors-in-possession (collectively, the “Debtors”), respectfully represents:

1. 100% of the equity of Alameda Aus Pty Ltd is owned by Alameda Research Ltd.
2. 100% of the equity of Alameda Global Services Ltd. is owned by Alameda Research LLC.
3. 100% of the equity of Alameda Research (Bahamas) Ltd is owned by Alameda Research Ltd.
4. 100% of the equity of Alameda Research Holdings Inc. is owned by Alameda Research LLC.
5. 100% of the equity of Alameda Research KK is owned by Alameda Research LLC.
6. There is no parent corporation or publically held corporation that has been identified owning 10% or more of the equity of Alameda Research LLC.
7. 100% of the equity of Alameda Research Ltd is owned by Alameda Research LLC.
8. 100% of the equity of Alameda Research Pte Ltd is owned by Alameda Research Ltd.
9. 100% of the equity of Alameda Research Yankari Ltd is owned by Alameda Research Ltd.

10. 100% of the equity of Alameda TR Ltd is owned by Alameda Research Ltd.
11. 100% of the equity of Alameda TR Systems S. de R. L. is owned by Alameda Research Ltd.
12. 100% of the equity of Allston Way Ltd is owned by FTX Trading Ltd.
13. 100% of the equity of Altalix Ltd is owned by FTX Europe AG.
14. 100% of the equity of Analisya Pte Ltd is owned by FTX Trading Ltd.
15. 100% of the equity of Atlantis Technology Ltd. is owned by Alameda Research Holdings Inc.
16. 100% of the equity of B For Transfer Egypt is owned by B Transfer Services Ltd.
17. Approximately 90% of B Payment Services Nigeria is owned by B Transfer Services Ltd, and approximately 10% is owned by third party investors.
18. 100% of the equity of B Transfer Services Ltd is owned by BTC Africa S.A.
19. 100% of the equity of B Transfer Services Ltd. UAE is owned by B Transfer Services Ltd.
20. 100% of the equity of B Transfer Services Uganda is owned by B Transfer Services Ltd.
21. 100% of the equity of Bancroft Way Ltd is owned by FTX Trading Ltd.
22. 100% of the equity of BitPesa Kenya Ltd. is owned by BTC Africa S.A.
23. 100% of the equity of BitPesa RDC SARL is owned by BTC Africa S.A.
24. 100% of the equity of BitPesa Senegal Ltd. is owned by BTC Africa S.A.

25. 100% of the equity of BitPesa South Africa is owned by BTC Africa S.A.
26. 100% of the equity of BitPesa Tanzania Ltd. is owned by BTC Africa S.A.
27. 100% of the equity of BitPesa Uganda Ltd. is owned by BTC Africa S.A.
28. 100% of the equity of Bitvo, Inc is owned by FTX Canada Inc.
29. 100% of the equity of Blockfolio Holdings, Inc. is owned by FTX Trading Ltd.
30. Approximately 52% of the equity of Blockfolio, Inc. is owned by Blockfolio Holdings, Inc., and approximately 48% is owned by third party investors.
31. 100% of the equity of Blue Ridge Ltd is owned by Alameda Research Ltd.
32. Approximately 70% of BT Payment Services Ghana is owned by B Transfer Services Ltd, and approximately 10% is owned by third party investors.
33. 100% of the equity of BT Payment Services South Africa is owned by B Transfer Services Ltd.
34. 100% of the equity of BT Payments Uganda is owned by B Transfer Services Ltd.
35. 100% of the equity of BT Pesa Nigeria Ltd. is owned by BTC Africa S.A.
36. 100% of the equity of BTC Africa S.A. is owned by FTX Europe AG.
37. 100% of the equity of BTLS Limited Tanzania is owned by B Transfer Services Ltd.
38. 100% of the equity of Cardinal Ventures Ltd is owned by Alameda Research Ltd.
39. 100% of the equity of Cedar Bay Ltd is owned by Alameda Research Ltd.

40. There is no parent corporation or publically held corporation that has been identified owning 10% or more of the equity of Cedar Grove Technology Services, Ltd.

41. There is no parent corporation or publically held corporation that has been identified owning 10% or more of the equity of Clifton Bay Investments LLC.

42. 100% of the equity of Clifton Bay Investments Ltd is owned by Clifton Bay Investments LLC.

43. Approximately 10% of the equity of CM-Equity AG is owned by FTX Europe AG, and approximately 90% is owned by third party investors.

44. 100% of the equity of Corner Stone Staffing is owned by BTC Africa S.A.

45. 100% of the equity of Cottonwood Grove Ltd is owned by Alameda Research Ltd.

46. 100% of the equity of Cottonwood Technologies Ltd is owned by Alameda Research Ltd.

47. 100% of the equity of Crypto Bahamas LLC is owned by FTX Trading Ltd.

48. 100% of the equity of DAAG Trading, DMCC is owned by FTX Europe AG.

49. There is no parent corporation or publically held corporation that has been identified owning 10% or more of the equity of Deck Technologies Holdings LLC.

50. 100% of the equity of Deck Technologies Inc.is owned by Deck Technologies Holdings LLC.

51. 100% of the equity of Deep Creek Ltd is owned by FTX Trading Ltd.

52. 100% of the equity of Digital Custody Inc. is owned by West Realm Shires Inc.
53. 100% of the equity of Euclid Way Ltd is owned by Alameda Research Ltd.
54. 100% of the equity of Exchange 4 Free Seychellen is owned by Exchange 4Free Ltd.
55. 100% of the equity of Exchange 4Free Australia Br is owned by Exchange 4Free South Africa Br.
56. 100% of the equity of Exchange 4Free Ltd. is owned by BTC Africa S.A.
57. 100% of the equity of Exchange 4Free South Africa Br. is owned by Exchange 4Free Ltd.
58. 100% of the equity of Exchange 4Free Swiss Branch is owned by Exchange 4Free Australia Br.
59. 100% of the equity of Finfax Company is owned by BTC Africa S.A.
60. 100% of the equity of FTX (Gibraltar) Ltd is owned by FTX Trading Ltd.
61. 100% of the equity of FTX Canada Inc is owned by FTX Trading Ltd.
62. 100% of the equity of FTX Certificates GmbH is owned by FTX Europe AG.
63. 100% of the equity of FTX Crypto Services Ltd. is owned by FTX Trading Ltd.
64. 100% of the equity of FTX Digital Assets LLC is owned by West Realm Shires Financial Services Inc.

65. 100% of the equity of FTX Digital Holdings (Singapore) Pte Ltd is owned by FTX Trading Ltd.

66. 100% of the equity of FTX EMEA Ltd. is owned by FTX Trading Ltd.

67. 100% of the equity of FTX Equity Record Holdings Ltd is owned by FTX Trading Ltd.

68. 100% of the equity of FTX Europe AG is owned by FTX Trading Ltd.

69. 100% of the equity of FTX Exchange FZE is owned by FTX Europe AG.

70. 100% of the equity of FTX Hong Kong Ltd is owned by FTX Trading Ltd.

71. 100% of the equity of FTX Japan Holdings K.K. is owned by FTX Trading Ltd.

72. 100% of the equity of FTX Japan K.K. is owned by FTX Japan Holdings K.K.

73. 100% of the equity of FTX Japan Services KK is owned by FTX Japan Holdings K.K.

74. 100% of the equity of FTX Lend Inc. is owned by West Realm Shires Inc.

75. 100% of the equity of FTX Marketplace, Inc. is owned by West Realm Shires Inc.

76. 100% of the equity of FTX Products (Singapore) Pte Ltd is owned by FTX Trading Ltd.

77. 100% of the equity of FTX Property Holdings Ltd is owned by FTX Trading Ltd.

78. 100% of the equity of FTX Services Solutions Ltd. is owned by FTX Trading Ltd.

79. 100% of the equity of FTX Structured Products AG is owned by FTX Europe AG.
80. 100% of the equity of FTX Switzerland GmbH is owned by FTX Europe AG.
81. 100% of the equity of FTX Trading GmbH is owned by FTX Trading Ltd.
82. Approximately 75% of FTX Trading Ltd. is owned by Paper Bird Inc., and approximately 25% is owned by third party investors.
83. 100% of the equity of FTX TURKEY TEKNOLOJİ VE TİCARET ANONİM ŞİRKET is owned by FTX Trading Ltd.
84. 100% of the equity of FTX US Derivatives LLC is owned by Ledger Holdings Inc.
85. 100% of the equity of FTX US Services, Inc. is owned by West Realm Shires Services Inc.
86. 100% of the equity of FTX US Trading, Inc. is owned by West Realm Shires Services Inc.
87. 100% of the interest in FTX Vault Trust Company is held by Digital Custody Inc.
88. 100% of the equity of FTX Ventures Ltd is owned by Paper Bird Inc.
89. 100% of the equity of FTX Ventures Partnership is owned by FTX Ventures Ltd.
90. 100% of the equity of FTX Zuma Ltd is owned by FTX Trading Ltd.
91. 100% of the equity of GG Trading Terminal Ltd is owned by FTX Trading Ltd.

92. 100% of the equity of Global Compass Dynamics Ltd. is owned by FTX Trading Ltd.
93. 100% of the equity of Good Luck Games, LLC. is owned by West Realm Shires Inc.
94. 100% of the equity of Goodman Investments Ltd is owned by Alameda Research Holdings Inc.
95. 100% of the equity of Hannam Group Inc is owned by Alameda Research LLC.
96. 100% of the equity of Hawaii Digital Assets Inc. is owned by West Realm Shires Inc.
97. There is no parent corporation or publically held corporation that has been identified owning 10% or more of the equity of Hilltop Technology Services LLC.
98. 100% of the equity of Hive Empire Trading Pty Ltd is owned by FTX Trading Ltd.
99. 100% of the equity of Innovatia Ltd. is owned by FTX Trading Ltd.
100. 100% of the equity of Island Bay Ventures Inc is owned by Paper Bird Inc.
101. 100% of the equity of K-DNA Financial Services Ltd is owned by FTX Europe AG.
102. 100% of the equity of Killarney Lake Investments Ltd is owned by Alameda Research Holdings Inc.
103. 100% of the equity of Ledger Holdings Inc. is owned by West Realm Shires Inc.

104. 100% of the equity of LedgerPrime Bitcoin Yield Enhancement Fund, LLC is owned by Ledger Prime LLC.

105. 100% of the equity of LedgerPrime Bitcoin Yield Enhancement Master Fund LP is owned by LedgerPrime Bitcoin Yield Enhancement Fund, LLC.

106. 100% of the equity of LedgerPrime Digital Asset Opportunities Fund, LLC is owned by Ledger Prime LLC.

107. 100% of the equity of LedgerPrime Digital Asset Opportunities Master Fund LP is owned by LedgerPrime Digital Asset Opportunities Fund, LLC.

108. 100% of the equity of Ledger Prime LLC is owned by Alameda Research LLC.

109. 100% of the equity of LedgerPrime Ventures, LP is owned by Ledger Prime LLC.

110. Approximately 50% of the equity of Liquid Financial USA Inc. is owned by FTX Japan Holdings K.K. and approximately 50% is owned by third party investors.

111. 100% of the equity of LiquidEX LLC is owned by Liquid Financial USA Inc.

112. 100% of the equity of Liquid Securities Singapore Pte Ltd is owned by FTX Trading Ltd.

113. 100% of the equity of LT Baskets Ltd. is owned by FTX Trading Ltd.

114. 100% of the equity of Maclaurin Investments Ltd. is owned by Alameda Research Ltd.

115. 100% of the equity of Mangrove Cay Ltd is owned by FTX Trading Ltd.

116. 100% of the equity of North Dimension Inc is owned by Alameda Research LLC.
117. 100% of the equity of North Dimension Ltd is owned by Alameda Research Ltd.
118. 100% of the equity of North Wireless Dimension Inc is owned by Alameda Research LLC.
119. There is no parent corporation or publically held corporation that has been identified owning 10% or more of the equity of Paper Bird Inc.
120. 100% of the equity of Pioneer Street Inc. is owned by West Realm Shires Inc.
121. 100% of the equity of Quoine India Pte Ltd is owned by FTX Japan K.K.
122. 100% of the equity of Quoine Pte Ltd is owned by FTX Japan Holdings K.K.
123. 100% of the equity of Quoine Vietnam Co. Ltd is owned by FTX Japan K.K.
124. 100% of the equity of SNG INVESTMENTS YATIRIM VE DANIŞMANLIK ANONİM ŞİRKETİ is owned by Alameda Research Ltd.
125. 100% of the equity of Strategy Ark Collective Ltd. is owned by Alameda Research Ltd.
126. 100% of the equity of Technology Services Bahamas Limited is owned by FTX Trading Ltd.
127. 100% of the equity of Tigetwit Ltd is owned by FTX Europe AG.
128. 100% of the equity of TransferZero is owned by BTC Africa S.A.

129. 100% of the equity of Verdant Canyon Capital LLC is owned by Alameda Research LLC.

130. 100% of the equity of West Innovative Barista Ltd. is owned by FTX Trading Ltd.

131. 100% of the equity of West Realm Shires Financial Services Inc. is owned by West Realm Shires Inc.

132. 100% of the equity of West Realm Shires Services Inc. is owned by West Realm Shires Inc.

133. 100% of the equity of Western Concord Enterprises Ltd. is owned by FTX Trading Ltd.

134. 100% of the equity of Zubr Exchange Ltd is owned by Innovatia Ltd.

FTX Trading Ltd

FTX bankruptcy case stalls as lawyers confront crypto chaos

New directors sought, with Sam Bankman-Fried's governance described as 'wild west'

Subject Indap in New York NOVEMBER 15 2022

The multibillion-dollar FTX bankruptcy case has stalled at the starting line, reflecting murkiness and disarray inside the crypto platform before it sought US court protection from creditors last week.

[FTX](#) had not filed so-called first-day motions to formally commence proceedings as of Monday, according to court records. Companies are usually quick to provide such documents to describe the circumstances leading up to their bankruptcy and ask the court to approve emergency financing to pay employees and vendors during the proceedings.

The crypto exchange and dozens of its subsidiaries [filed](#) for bankruptcy protection in a Delaware court on Friday after FTX said it could not meet customer withdrawal requests. A day before, FTX's main international exchange held less than \$1bn in liquid assets against \$9bn in liabilities, the FT has reported.

The federal bankruptcy court in Delaware has appointed Judge John Dorsey to oversee the case, but a customary initial hearing to consider such motions has yet to be scheduled.

"This is playing out in a much more slow and opaque way than usual," said one restructuring adviser who has been fielding calls from people seeking aid. The dearth of information and legal filings has been an obstacle to giving advice to creditors, said this person.



FTX has announced that John Ray III would serve as chief executive after the resignation of founder Sam Bankman-Fried. Ray is a seasoned restructuring executive, having served in oversight positions in the bankruptcies of Residential Capital, Overseas Shipholding Group, Nortel Networks and Enron.

The company also named Stephen Neal, a Silicon Valley lawyer, as FTX board chair. But Neal later said that he had decided to not take the post.

According to one person in contact with the company, FTX is trying to quickly secure new directors experienced in bankruptcy cases who will become responsible for making decisions for FTX stakeholders.

Previously, Bankman-Fried appeared to have had almost free rein at the company despite a nominal board of three people, said a person approached about becoming an FTX director, describing governance inside the company as the “wild west”.

This person also described the company’s current liquidity as “low”, leaving it uncertain how it will pay legal and administrative expenses in the bankruptcy.

Sullivan & Cromwell, FTX’s longtime legal counsel, has been advising the company on the bankruptcy process and working with FTX general counsel Ryne Miller, himself a former Sullivan lawyer. Miller did not immediately respond to a request for comment.

Sullivan’s lead partner on the case, Andrew Dietderich, is a restructuring attorney who most recently assisted FTX win a bankruptcy auction for the assets of [Voyager Digital](#), another crypto exchange that went bust this year after the collapse of the terra and luna digital tokens.

[Jay Clayton](#), a former chair of the US Securities and Exchange Commission, and now an adviser to Sullivan, had months ago participated in a phone call with FTX and other Sullivan lawyers, according to people familiar with the matter. However, he is not advising FTX in its bankruptcy case, the firm said in a statement provided to the Financial Times. *

Bankman-Fried is being personally represented by the law firm Paul, Weiss.

Restructuring advisers told the FT that the court has the option of appointing an independent “Chapter 11 trustee” who would replace Ray to manage FTX. Such trustees are typically appointed when judges believe control of the business should be taken away from the company itself.

The trustee would then hire its own advisers to manage the case, displacing lawyers and advisers who otherwise would be in line for tens of millions of dollars of in fees. FTX’s search for experienced directors is an attempt to show the court that the company is capable of managing the process itself in order to maximise recoveries for creditors, said a person briefed on the reasons for the move.

Once the case begins, the Office of the US Trustee, the bankruptcy agency of the Department of Justice, will appoint a committee of unsecured creditors that is likely to be composed largely of FTX account holders. FTX’s bankruptcy petition last week said it has about 100,000 creditors and \$10bn-\$50bn of assets and liabilities.

“The whole thing looks super messy. First, there will no doubt be many claims of wrongdoing and a

11/17/22, 1:44 PM

FTX bankruptcy case stalls as lawyers confront crypto chaos | Financial Times

long process of figuring out what legal actions arise from that wrongdoing — think MF Global, Enron and WorldCom,” said Anthony Casey, a law professor at the University of Chicago and a former corporate attorney, referring to previous blockbuster bankruptcies. “Second, I imagine there is going to be a lot of time and energy spent locating assets and value and undoing transfers.”

Another observer speculated that creditors may get some money back through lawsuits against Bankman-Fried or others.

“The real recovery here will come from the impending litigation storm. There’s billions in potential preference actions and SBF and his crew are likely to get sued up the wazoo,” said Adam Levitin, a crypto expert and law professor at Georgetown who works at Gordian Crypto Advisors, which may seek a role in the case.

Preference actions refer to payments made just in advance of a bankruptcy filing that can be clawed back by creditors to satisfy their claims.

Still, the information vacuum has not prevented some dealmaking activity from revving up. At Cherokee Acquisition, a marketplace for trading bankruptcy claims, bidders are already offering between 10 cents and 14 cents on the dollar to FTX account holders.

“FTX seemed completely unprepared for a bankruptcy and the state of internal records appear chaotic,” said Vladimir Jelisavcic, Cherokee Acquisition’s founder. “I imagine large teams of lawyers and financial advisers are struggling to piece together the data to be ready for a first-day hearing.”

Additional reporting from James Fontanella-Khan in New York

** This story has been clarified to state that Jay Clayton is not working on the FTX bankruptcy case for Sullivan & Cromwell*

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Joint Administration Pending)

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER (I) MODIFYING CERTAIN
CREDITOR LIST REQUIREMENTS; (II) AUTHORIZING THE DEBTORS TO SERVE
CERTAIN PARTIES BY E-MAIL; AND (III) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors-in-possession (the “Debtors” or “FTX”), by and through their proposed undersigned counsel, hereby submit this motion (the “Motion”) for entry of an order (i) modifying certain creditor list filing requirements; (ii) authorizing the Debtors to provide e-mail service to certain parties; and (iii) granting related relief. In support of this Motion, the Debtors respectfully represent and set forth as follows:

PRELIMINARY STATEMENT²

1. The events that have befallen FTX over the past week are unprecedented. Barely more than a week ago, FTX, led by its co-founder Sam Bankman-Fried, was regarded as one of the most respected and innovative companies in the crypto industry. The Debtors operated the world’s second largest cryptocurrency exchange (through its FTX.us and FTX.com platforms), operated one of the largest market-makers in digital assets (through Alameda Research LLC and its affiliates), and conducted diverse private investment and other businesses.

¹ The last four digits of FTX Trading Ltd.’s tax identification number are 3288. Due to the large number of debtor entities in these Chapter 11 Cases, for which the Debtors will request joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information will be made available on a website of the Debtors’ proposed claims and noticing agent.

² The Debtors anticipate seeking additional relief from the Court later this week. In connection with those subsequent filings, the Debtors will provide additional information for the benefit of the Court and parties in interest.

2. FTX faced a severe liquidity crisis that necessitated the filing of these cases on an emergency basis last Friday. Questions arose about Mr. Bankman-Fried's leadership and the handling of FTX's complex array of assets and businesses under his direction. As the situation became increasingly dire, Sullivan & Cromwell and Alvarez & Marsal North America, LLC ("Alvarez & Marsal") were engaged to provide restructuring advice and services to FTX. At approximately 4:30 a.m. on Friday, November 11, after consultation with his own legal counsel, Mr. Bankman-Fried ultimately agreed to step aside, resulting in the appointment of John J. Ray III, an experienced restructuring executive, as Chief Executive Officer. Mr. Ray was delegated all corporate powers and authority under applicable law, including the power to appoint independent directors and commence these cases on an emergency basis.

3. These cases were commenced soon thereafter early Friday morning, instituting the worldwide automatic stay codified in 11 U.S.C. § 362. The statutory stay and its enforcement are critical to ensuring that FTX, under the leadership of Mr. Ray, can secure and marshal its assets, and conduct an orderly process under centralized management to reorganize or sell FTX's complex array of businesses, investments and property around the world for the benefit of its stakeholders.

4. Immediately upon appointment, Mr. Ray began working with FTX's external legal, turnaround, cybersecurity and forensic investigative advisors to secure customer and debtor assets around the world, including by removing trading and withdrawal functionality on the exchanges and moving as many digital assets as possible to a new cold wallet custodian while simultaneously responding to a cyberattack that occurred on the Petition Date (as defined below).

5. In addition to Mr. Ray, new independent directors with appropriate experience have been appointed at each of the main parent companies in the FTX group to ensure proper governance throughout the Chapter 11 process, as follows:

- The Honorable Joseph J. Farnan, Jr. at FTX Trading Ltd., who will serve as Lead Independent Director;
- Matthew A. Doheny at FTX Trading Ltd.;
- Mitchell I. Sonkin at West Realm Shires Inc.;
- Matthew R. Rosenberg at Alameda Research LLC; and
- Rishi Jain at Clifton Bay Investments LLC.

The appointment of Mr. Ray and the independent directors ensures that the Debtors can navigate the chapter 11 process independent of any conflicts and involvement in FTX's prepetition activities.

6. The Debtors have engaged Alvarez & Marsal as proposed financial advisor. An Alvarez & Marsal team on the ground is reviewing the Debtors' books and records and assisting with the preparation of bankruptcy disclosures. In addition, the Debtors have engaged investigative, forensic and cybersecurity experts to work with the team at Sullivan & Cromwell, which includes lawyers with expertise in regulated financial institutions, cybercrime and related investigations.

7. There is substantial interest in these events among regulatory authorities around the world. The Debtors' representatives have been in contact over the past 72 hours with the U.S. Attorney's Office, the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission, and dozens of Federal, state and international regulatory agencies.

8. As stabilization of the business continues, Mr. Ray and the FTX professionals are moving to the next phase. The Debtors are preparing requests for necessary relief from the Court in order to move these cases forward in the most organized and efficient manner possible under the unprecedented circumstances. This will necessarily require some additional time, but the

Debtors are committed to maximizing value for stakeholders and determining the future of FTX. Facts are still developing and future filings will update and supplement this information.

9. As a result, under the circumstances, the limited relief requested herein should be granted.

JURISDICTION AND VENUE

10. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.³

11. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

12. The statutory predicates for the relief sought herein are sections 105(a) and 521 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended or modified, the “Bankruptcy Code”), rule 9006(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Local Rule 1007-1(b).

BACKGROUND

13. On November 11, 2022 (the “Petition Date”), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code in this Court (collectively, the “Chapter 11 Cases”).

³ Pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors hereby confirm their consent to entry of a final order by this Court in connection with this Motion if it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

14. The Debtors are authorized to continue operating their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. On November 14, 2022, the Debtors filed a motion with the Court pursuant to Bankruptcy Rule 1015 seeking joint administration of the Debtors' cases. No statutory committee of creditors, trustee or examiner has been appointed in these Chapter 11 Cases.

RELIEF REQUESTED

15. By this Motion, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Order") (i) modifying certain creditor list filing requirements; (ii) authorizing the Debtors to provide e-mail service to certain parties; and (iii) granting related relief (the "Creditor List Procedures").⁴

16. The statutory bases for the relief requested in this Motion are Bankruptcy Code sections 105(a) and 521, Bankruptcy Rules 2002(m), 9007, 9018, and 9037(d), and Local Rules 1001-1(c), 1007-1 and 2002-1.

BASIS FOR RELIEF

17. The Debtors' Chapter 11 Cases are complex, consisting of over one hundred debtor entities and involving non-traditional assets. Circumstances necessitated filing the Debtors on an immediate basis in order to take control of and prevent the further dissipation of assets, and to reconstitute control over the Debtors governance with an independent Chief Executive Officer and board members at the controlling entities of the Debtors' businesses. The Debtors' team has worked around the clock since obtaining control of the Debtors from Mr. Bankman-Fried merely three days ago. Mr. Ray has been appointed Chief Executive Officer at each of the Debtors, and well-qualified independent new board members have been seated.

⁴ The Debtors intend to separately address the need to redact certain customer confidential information pursuant to 11 U.S.C. § 107(c)(1) on an appropriate record.

18. The Debtors are expeditiously working to move these cases forward. As they do so, the Debtors respectfully submit that modifying certain requirements with respect to the filing of the creditor lists and approving the proposed Creditor List Procedures is appropriate in these Chapter 11 Cases. The Court has the authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein, because such relief is necessary for the Debtors to carry out their duties under Bankruptcy Code section 1107(a). Bankruptcy Code section 105(a) provides in relevant part, that “[t]he Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Local Rule 1001-1(c) further permits modification of the Local Rules by the Court “in the interest of justice.” Del. Bankr. L.R. 1001-1(c).

A. Modification of Certain Creditor List Filing Requirements

19. Bankruptcy Code section 521(a) and Bankruptcy Rule 1007(d) require a debtor to file a list containing the name, address, and claim of the creditors holding the 20 largest unsecured claims against the debtor. As set forth in the Debtors’ petitions, there are over one hundred thousand creditors in these Chapter 11 Cases. In fact, there could be more than one million creditors in these Chapter 11 Cases. As such, the Debtors submit that cause exists to modify that requirement such that the Debtors will file a consolidated list of their top 50 creditors (the “Top 50 List”) in lieu of a top 20 list for each Debtor on or before November 18, 2022.⁵

20. In addition, the Debtors submit that filing separate creditor lists for each Debtor would be of limited utility because the Debtors anticipate overlap among the various Debtors’ creditor lists, and certain Debtors may have fewer than 20 significant unsecured creditors.

⁵ This Court has authority to modify certain deadlines prescribed under the Bankruptcy Code and Local Rules. *See* Bankruptcy Rule 9006; Local Rules 1007-1(b) and 1017-1. To the extent the proposed Creditor List Procedures deviate from the default deadlines, the Debtors submit that ample cause exists to modify and extend such deadlines in the interest of justice.

Furthermore, the Debtors expect that the exercise of compiling separate creditor lists for each individual Debtor would consume an excessive amount of the Debtors' limited time and resources at this critical time. This Court has granted relief similar to the relief requested herein with respect to preparation of a consolidated creditor lists. *See, e.g., OSG Group Holdings, Inc.*, No. 22-10718 (JTD) (Aug. 9, 2022) (authorizing consolidated top 50 creditor list); *In re Fast Radius, Inc., et al.*, Case No. 22-11051 (JKS) (Bankr. D. Del. Nov. 9, 2022) (authorizing the debtors to maintain a consolidated list of creditors in lieu of separate mailing matrices); *In re Vesta Holdings, LLC, et al.*, Case No. 22-11019 (LSS) (Bankr. D. Del. Nov. 1, 2022) (same); *In re TPC Group Inc., et al.*, Case No. 22-10493 (CTG) [D.I. 344] (Bankr. D. Del. June 30, 2022) (same); *In re Gold Standard Baking, LLC, et al.*, Case No. 22-10559 (JKS) (Bankr. D. Del. June 23, 2022) (same); *In re EYP Group Holdings, Inc., et al.*, Case No. 22-10367 (MFW) (Bankr. D. Del. April 26, 2022) (same); *In re Sequential Brands Group, Inc., et al.*, Case No. 21-11194 (JTD) (Bankr. D. Del. Sept. 1, 2021) (same); *In re Alex and Ani, LLC*, Case No. 21-10918 (CTG) (Bankr. D. Del. June 11, 2021) (same); *In re Cred Inc., et al.*, Case No. 20-12836 (JTD) (Bankr. D. Del. Nov. 10, 2020) (same).

B. Request for Authority to Provide E-Mail Service to Creditors

21. Although the Bankruptcy Rules generally require notices to be served on creditors at their addresses, they give significant latitude to bankruptcy courts for modifying the general rule. *See* Fed. R. Bankr. P. 2002(m); Fed. R. Bankr. P. 9007. Bankruptcy courts have explicit authority to modify the manner in which notice is given. Fed. R. Bankr. P. 2002(m); *see In re Cred Inc., et al.*, Case No. 20-12836 (JTD) (Bankr. D. Del. Nov. 10, 2020) (authorizing debtor cryptocurrency platform to serve creditors via e-mail).

22. Here, the Debtors have more than one hundred thousand (100,000) creditors, most of whom are the Debtors' customers. Additionally, the Debtors' numerous former customers also will require service of a voluminous number of notices. Because the Debtors operate an online

cryptocurrency platform, all of the Debtors' current and former customers interact with the Debtors via e-mail, and the Debtors interact with their customers online through web-based applications and e-mail.

23. Accordingly, the Debtors request authority to serve creditors by e-mail, where an e-mail account is available to the Debtors. Not only is this likely the most efficient manner by which service of all interested parties can be completed, it is also the most likely to facilitate creditor responses because the customer base currently receives all notices electronically from the Debtors.

24. The Debtors submit that implementation of the procedures requested herein are appropriate in these Chapter 11 Cases and well within the Court's equitable powers under section 105(a) of the Bankruptcy Code.

Notice

25. Notice of this Motion will be provided to: (a) the U.S. Trustee; (b) the Securities and Exchange Commission; (c) the Internal Revenue Service; (d) United States Department of Justice; (e) the United States Attorney for the District of Delaware; (f) the parties identified on the Debtors' consolidated list of 50 largest unsecured creditors; and (g) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be provided.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WHEREFORE, the Debtors respectfully request that the Court enter the Order, substantially in the forms attached hereto: (i) granting the relief requested in this Motion, and (ii) granting such other and further relief as the Court may deem proper.

Dated: November 14, 2022
Wilmington, Delaware


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Business

'FTX Has Been Hacked': Crypto Disaster Worsens as Exchange Sees Mysterious Outflows Exceeding \$600M

FTX officials appeared to confirm rumors of a hack on Telegram, instructing users to delete FTX apps and avoid its website.

By Cheyenne Ligon, Sam Reynolds, Sam Kessler, Nikhilesh De, Reilly Decker

Nov 12, 2022 at 12:20 p.m.

Updated Nov 15, 2022 at 2:07 a.m.

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FTX FALLOUT WORSENS AS EXCHANGE SEES MYSTERIOUS OUTFLOWS EXCEED \$600M

CoinDesk.tv

The collapse of FTX, already one of the most spectacular disasters in financial history, worsened as hundreds of millions of dollars were drained from the cryptocurrency exchange hours after it filed for bankruptcy.

More than \$600 million was siphoned from FTX's crypto wallets late Friday. Soon after, FTX stated in its official Telegram channel that it had been compromised, instructing users not to install any new upgrades and to delete all FTX apps.

11/16/22, 8:36 PM

'FTX Has Been Hacked': Crypto Disaster Worsens as Exchange Sees Mysterious Outflows Exceeding \$600M

"FTX has been hacked. FTX apps are malware. Delete them. Chat is open. Don't go on FTX site as it might download Trojans," wrote an account administrator in the FTX Support Telegram chat. The message was pinned by FTX General Counsel Ryne Miller.



Read more: [FTX CEO John Ray Confirms Late-Night Hack, Says Company Is Working With Law Enforcement](#)

Hours later, Miller disclosed in a tweet that FTX US and FTX.com had been moving all their digital assets to cold storage because of the Friday bankruptcy. "Process was expedited this evening to mitigate damage upon observing unauthorized transactions," he said.



Many FTX wallet holders reported \$0 balances in their FTX.com and FTX US wallets. FTX's API appeared to be down, which could account for this. According to on-chain data, various Ethereum tokens as well as Solana and Binance Smart Chain tokens exited FTX's official wallets and moved to decentralized exchanges like 1inch. Both FTX and FTX US appear to be affected.

The transfers occurred on the same day that the firm filed for Chapter 11 bankruptcy protection in the U.S. after apparently losing or misappropriating billions of dollars in user funds. Suspicions, which are conjecture at this point, circulated online about whether, rather than an outside attack, someone inside the company might've been responsible.

Read more: [Bankman-Fried's Cabal of Roommates in the Bahamas Ran His Crypto Empire - and Dated. Other Employees Have Lots of Questions](#)

On Twitter, members of the cryptocurrency community quickly began to speculate that the outflows could have been coordinated by a member of Bankman-Fried's inner circle, pointing out that the simultaneous and sophisticated hacks of FTX and FTX US are indicative of a potential inside job. Twitter's euth ZachXBT tweeted Friday night that "multiple former FTX employees confirmed to me that they do not recognize these transfers."

Around midnight Eastern time, FTX's login portal was unavailable (though the site was still online) giving users a 503 error when they attempted to login. A 503 error happens when the server is unavailable, commonly because it's down for maintenance or unavailable for access.

Read more: [FTX Employees Worldwide Learned of Bankruptcy Along With the Public](#)

UPDATE (Nov. 12, 2022, 06:00 UTC): Adds updates and details throughout.

UPDATE (Nov. 12, 2022, 14:21 UTC): Hours after the publication of this article, FTX said it had expedited the move of its remaining funds to cold wallets. Click [here](#) for more.

UPDATE (Nov. 12, 2022, 15:25 UTC): Adds context in first paragraph and revisions throughout.

Read more about

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	BNB	\$271.97	▼ 1.75%	→
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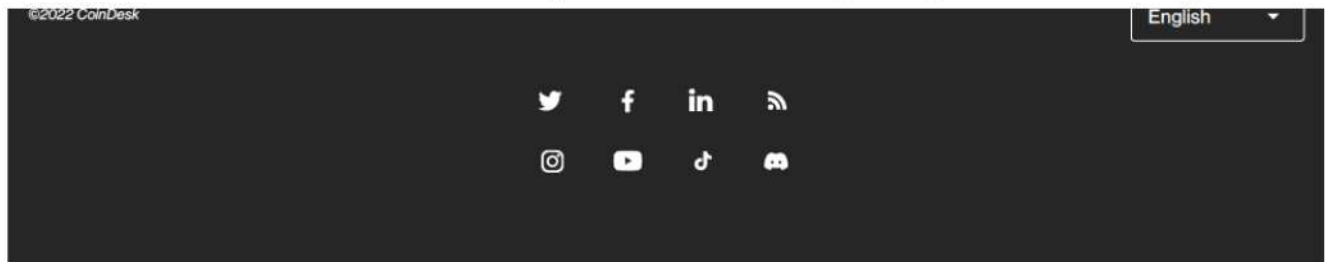
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<https://www.wsj.com/articles/ftx-tapped-into-customer-accounts-to-fund-risky-bets-setting-up-its-downfall-11668093732>

MARKETSCURRENCIESCRYPTOCURRENCY

FTX Tapped Into Customer Accounts to Fund Risky Bets, Setting Up Its Downfall

FTX's chief executive told investors this week that an affiliated trading firm owes the crypto exchange about \$10 billion



FTX CEO Sam Bankman-Fried said in a tweet Thursday that an affiliated firm, Alameda Research, was winding down trading.

PHOTO: TING SHEN/BLOOMBERG NEWS

By *Vicky Ge Huang* [Follow](#), *Alexander Osipovich* [Follow](#) and *Patricia Kowsmann* [Follow](#)

Updated Nov. 11, 2022 12:16 pm ET

Crypto exchange FTX lent billions of dollars worth of customer assets to fund risky bets by its affiliated trading firm, Alameda Research, setting the stage for the exchange's implosion, a person familiar with the matter said.

FTX Chief Executive Sam Bankman-Fried said in investor meetings this week that Alameda owes FTX about \$10 billion, people familiar with the matter said. FTX extended loans to Alameda using money that customers had deposited on the exchange for trading purposes, a decision that Mr. Bankman-Fried described as a poor judgment call, one of the people said.

All in all, FTX had \$16 billion in customer assets, the people said, so FTX lent more than half of its customer funds to its sister company Alameda.

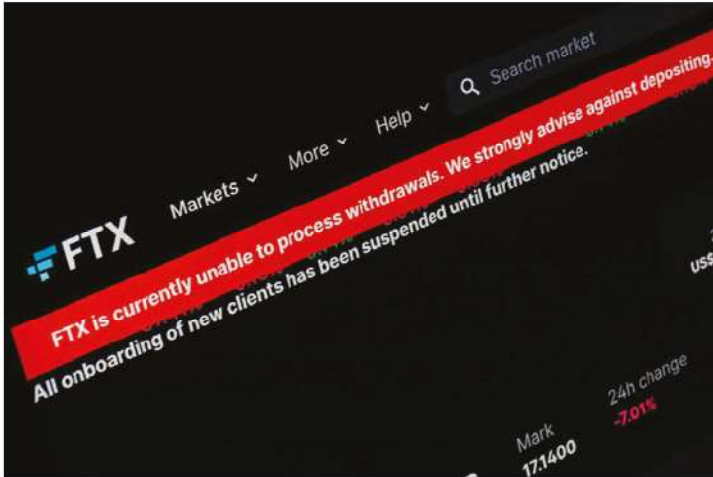
Alameda took out additional loans from other financial firms, according to people familiar with the matter. As of Monday, Alameda owed \$1.5 billion in loans to counterparties outside of FTX, the people said.

An FTX spokesman declined to comment.

FTX paused customer withdrawals earlier this week after it was hit with roughly \$5 billion worth of withdrawal requests on Sunday, according to a Thursday morning tweet from Mr. Bankman-Fried.

FTX struck a deal to sell itself to its giant rival Binance on Tuesday, but Binance walked away from the deal the next day, saying FTX's problems were "beyond our control or ability to help."

The Securities and Exchange Commission and Justice Department are investigating FTX following its sudden implosion this week, a person familiar with the matter said.



A warning seen in London Thursday that FTX is unable to process withdrawals.

PHOTO: LEON NEAL/GETTY IMAGES

On Thursday the Securities Commission of the Bahamas said that it froze the assets of FTX Digital Markets Ltd, the Bahamian subsidiary of FTX. The commission said that it appointed a provisional liquidator and that no assets held by the firm can be transferred without the provisional liquidator's approval, the commission said.

The failure of FTX to fill withdrawal requests shocked crypto investors and badly tarnished the reputation of Mr. Bankman-Fried, who had embraced regulation of digital currencies and branded himself as a crypto entrepreneur driven by ethics and philanthropy.

"An exchange really shouldn't have problems getting its customers their deposits," said Frances Coppola, a U.K.-based economist. "It shouldn't be doing anything with those assets. They should literally be sitting there so people can use them."

As questions were brewing about FTX's health on Monday, Mr. Bankman-Fried tweeted: "FTX has enough to cover all client holdings. We don't invest client assets (even in treasuries)." He later deleted the tweet.

On Thursday morning Mr. Bankman-Fried said in a tweet that Alameda Research was winding down trading.

In traditional markets, brokers must keep client funds segregated from other company assets and regulators can punish violations. In 2013, for instance, the Commodity Futures Trading Commission fined brokerage MF Global \$100 million for misuse of customer funds during its messy collapse two years earlier—a downfall also driven by risky bets gone wrong.

Case 22-11068-JTD Doc 292-3 Filed 12/22/22 Page 125 of 136
But MF Global Case 22-11068-JTD Doc 292-3 Filed 12/22/22 Page 125 of 136 process. With FTX, operating in the Wild West of crypto, it is unclear whether customers will ever get their money back.

The revelation of the loans suggests that the root of FTX's downfall lay in its relationship with Alameda, a firm known for aggressive trading strategies funded by borrowed money. Some crypto traders have voiced wariness of the affiliation, worrying that it posed a conflict of interest for an exchange to be attached to a trading business.

Mr. Bankman-Fried founded and is the majority owner of both firms. He was CEO of Alameda until last year, when he stepped back from the role to focus on FTX.

Alameda's CEO is Caroline Ellison, a Stanford University graduate who like Mr. Bankman-Fried previously worked for quantitative trading firm Jane Street Capital. Alameda is based in Hong Kong, where FTX was headquartered before relocating to the Bahamas last year.

In theory, exchanges like FTX make money by allowing customers to trade cryptocurrencies and collecting fees for transactions. Alameda pursued a variety of trading strategies to make money from volatility, a riskier business model.

Among the strategies that Alameda engaged in after Mr. Bankman-Fried founded the firm in 2017 was arbitrage—buying a coin in one location and selling it elsewhere for more. One early winning trade involved buying bitcoin on U.S. exchanges and selling in Japan, where it commanded a premium over its U.S. price.

Another business at Alameda is market-making—offering to buy and sell assets on crypto exchanges throughout the day, and collecting a spread between the buying and selling price.

More recently Alameda has become one of the biggest players in “yield farming,” or investing in tokens that pay interest-rate-like rewards, according to analysts who used public blockchain data to track the firm's activities. One crypto wallet controlled by Alameda has generated more than \$550 million in trading profit since 2020, according to blockchain analytics firm Nansen.

Yield farming can be risky because the tokens often have an initial run-up in price as investors pile in, seeking the rewards, then a crash as they get out.

“It's essentially like picking up pennies before a steamroller,” said independent blockchain analyst Andrew Van Aken. “You use dollars, or stablecoins, to get these very speculative coins.”

—Peter Rudegeair, Caitlin Ostroff and Alexander Gladstone contributed to this article.

We want to hear from you

What has been your experience with trading cryptocurrencies or investing with a crypto lender? Tell us about it in the form below.

Name*

Email*

Age *

Profession *

City, State *

By submitting your response to this questionnaire, you consent to Dow Jones processing your special categories of personal information and are indicating that your answers may be investigated and published by The Wall Street Journal and you are willing to be contacted by a Journal reporter to discuss your answers further. In an article on this subject, the Journal will not attribute your answers to you by name unless a reporter contacts you and you provide that consent.

Write to Vicky Ge Huang at vicky.huang@wsj.com, Alexander Osipovich at alexo@wsj.com and Patricia Kowsmann at patricia.kowsmann@wsj.com

Cryptocurrency Turbulence

Coverage of the FTX bankruptcy, selected by the editors

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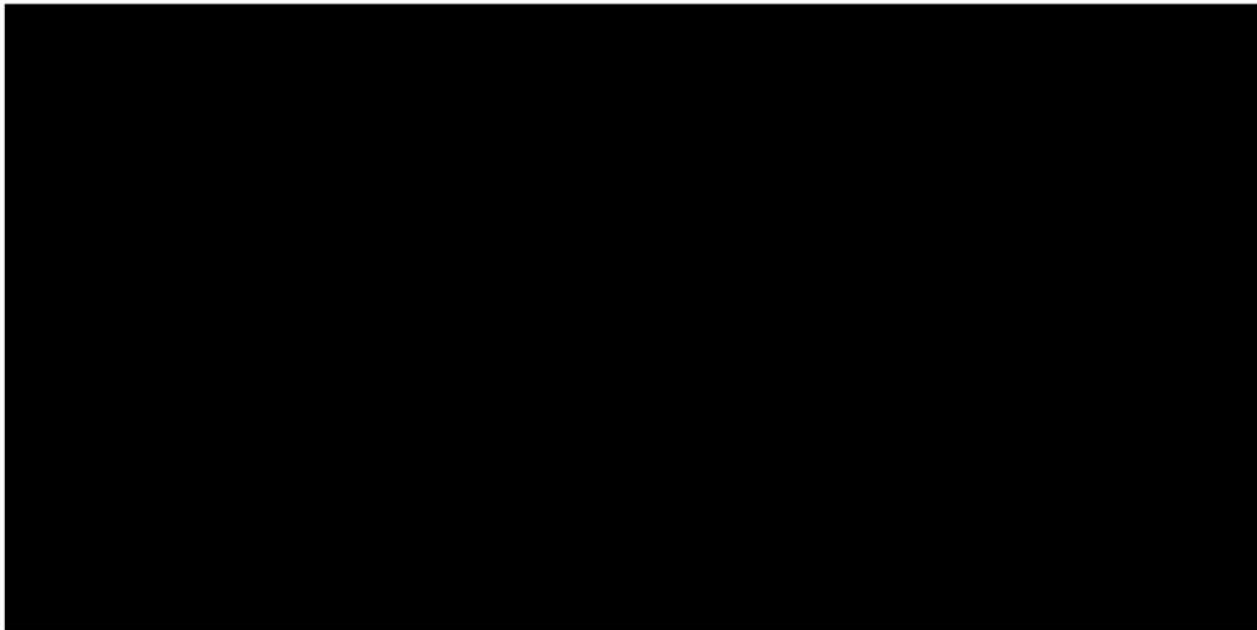
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Crypto

FTX Meltdown Has ‘Whiffs’ of Enron-Like Scandal, Summers Says

- Former Treasury secretary calls for more forensic accountants
- Summers says issues are less about regulatory complexity



WATCH: Summers says the FTX meltdown “whiffs of fraud.” *Source: Bloomberg*

By Chris Anstey

November 11, 2022 at 10:20 AM GMT-5 *Updated on November 11, 2022 at 10:37 AM GMT-5*

Former Treasury Secretary Lawrence Summers called for an expansion in the number of forensic accountants -- though not necessarily an increase in regulation -- in the wake of the meltdown in Sam Bankman-Fried’s crypto empire.

“A lot of people have compared this to Lehman. I would compare it to Enron,” Summers told Bloomberg Television’s “Wall Street Week” with David Westin. “The smartest guys in the room. Not just financial error but -- certainly from the reports -- whiffs of fraud. Stadium namings very early in a company’s history. Vast explosion of wealth that nobody quite understands where it comes from.”

The FTX.com crypto exchange, along with trading firm Alameda Research Ltd., have filed for bankruptcy in the wake of a race by FTX users to withdraw their assets. The exodus came amid a plunge in the digital coins issued by the exchange, and after Bankman-Fried took to Twitter to counter the circulation of “unfounded rumors.”

As part of the bankruptcy filings, John J. Ray III was appointed as the new chief executive of FTX Group. Ray previously served senior roles in bankruptcies -- including Enron Corp.

“The regulatory community ought to draw two lessons from this” episode, said Summers, a Harvard University professor and paid contributor to Bloomberg Television. First is the need for “more forensic accountants” to help detect issues at both the corporate and national level, he said.

Second, there should be a rule for “everything that touches finance” that people in positions of responsibility take a week or two off each year, disconnected from their work. Other observers have pointed out that individuals engaged in financial malfeasance need constant monitoring of their positions to keep problems hidden.

“This is probably less about the complexities of the nuances of the rules of crypto regulation” than it is about classic financial fraud, Summers said.

(Updates to note new FTX CEO's experience with Enron, in fourth paragraph.)

TECH

Sam Bankman-Fried reportedly denies fleeing to Argentina, says he's still in the Bahamas

PUBLISHED SAT, NOV 12 2022•1:25 PM EST UPDATED SAT, NOV 12 2022•1:42 PM EST

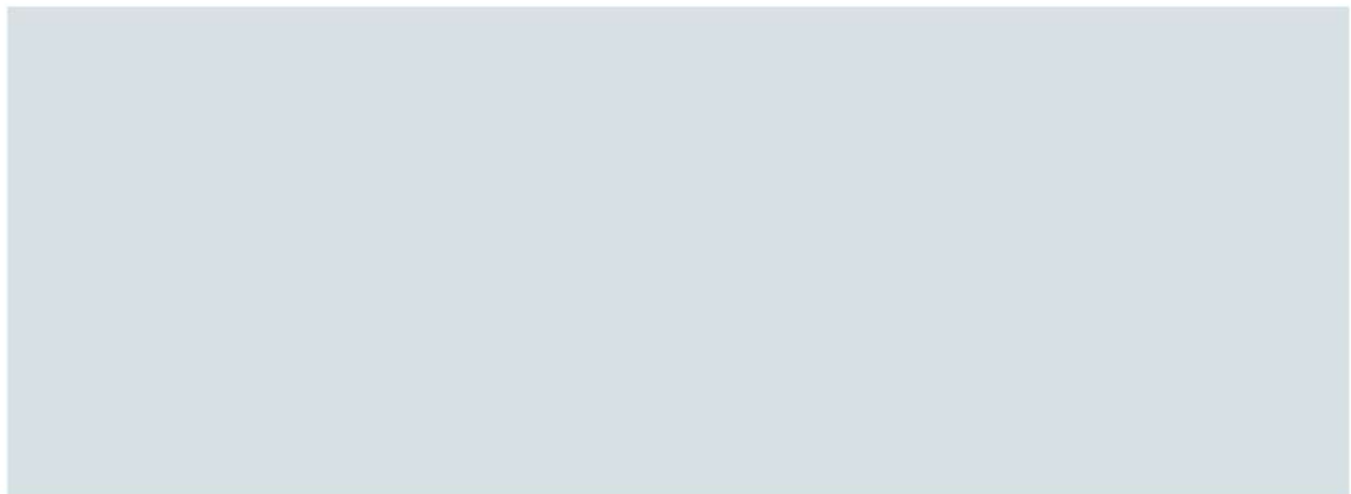


MacKenzie Sigalos
@KENZIESIGALOS

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KEY POINTS

- Sam Bankman-Fried told Reuters he is still in the Bahamas, as rumors swirled overnight that the ex-CEO of the now-bankrupt FTX had run off to South America.
- FlightRadar24 tweeted early Saturday morning that the one-time crypto billionaire was flying from Nassau to Argentina.
- Speculation over SBF's whereabouts comes as authorities close in on Bankman-Fried and his failed crypto empire.





Speculation over SBF's (a nickname given to the former FTX CEO) whereabouts come as authorities close in on Bankman-Fried and his failed crypto empire.

On Thursday, Bankman-Fried tweeted that he would be [winding down his trading house](#), Alameda Research, and then on Friday, FTX — the digital asset exchange that Bankman-Fried founded in 2019 — filed for Chapter 11 bankruptcy protection in the U.S. That same day, Bankman-Fried stepped down as CEO. The [Financial Times is reporting](#) that a day before filing for bankruptcy protection, FTX's global exchange had \$900 million in "easily sellable assets" against \$9 billion of liabilities.

It was a very swift fall from grace for FTX this week.

Earlier this year, the exchange was valued at \$32 billion, and Bankman-Fried was billed as crypto's white knight as he bailed out multiple digital asset companies. Now, its ex-CEO is reportedly facing probes by the Department of Justice, the Securities and Exchange Commission, and the Commodity Futures Trading Commission. Meanwhile, the bankrupt exchange [appears to have been the target of a hack overnight](#).

— CNBC's David Sucherman contributed to this report.



Consent to Act

Company Number

Name of Company

(a)

(a) Insert full name of company

Emergent Fidelity Technologies Ltd

(b) Insert full name, address and insolvency practitioner license

(b)

Angela Barkhouse of Quantuma (Cayman) Ltd
Suite N404, Flagship Building
142 Seafarers Way
George Town
Grand Cayman

I consent to act as ^(c) of the above company if so appointed

(c) Insert whether consenting to act as administrator, administrative receiver, liquidator or provisional liquidator (and whether of a company or of a foreign company), interim supervisor or supervisor.

by the ^(d) Court.

The period of time for which this consent is valid is ^(f) from the date that this document is signed.

(d) Delete or complete alternative details as appropriate

(e) Insert date

(f) Insert period (not to exceed 6 weeks)

Signed  Date 15 November 2022

Angela Barkhouse

Consent to Act

Company Number

Name of Company

(a)

(a) Insert full name of company

Emergent Fidelity Technologies Ltd

(b) Insert full name, address and insolvency practitioner license

(b)

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(c) Insert whether consenting to act as administrator, administrative receiver, liquidator or provisional liquidator (and whether of a company or of a foreign company), interim supervisor or supervisor.

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Signed  Date 15 November 2022

Toni Shukla



Angela Barkhouse

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Cross Border Asset Recovery, Offshore Insolvency Practitioner

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Education

BSc Applied Accounting
Oxford Brookes University
MSc Criminal Justice Policy
London School of Economics and
Political Science

Certifications

Fellow of the Association of Chartered
Certified Accountants (FCCA)

Certified Fraud Examiner (ACFE)

Certificate in International Insolvency Law
(INSOL)

Advanced Diploma in Internal Auditing and
Management (MIA)

Articles & Publications

Insolvency Law Review

Cayman Islands Insolvency
Framework Guide and Review
November 2021

Corruption in the Pandemic CDR's
Essential Intelligence Fraud, Asset
Tracing & Recovery – March 2021

**Fraud and Asset Recovery in the
Cayman Islands** CDR's Essential
Intelligence, First Edition - March 2020.

Author of "Getting the Deal Through" on
civil and criminal asset recovery in the
Cayman Islands Chapter, 2019

Lawyer Monthly: Investigating Fraud:
The considerations and process of
investigations. Nov 2018

Universal Rights Group Policy Brief:
Corruption: A human rights impact
assessment. May 2018

International Bar Association:
A veil of Legitimacy; Fraud in state
owned enterprises. Mar 2018

Recent speaking engagements

Recovering assets in Cryptocurrency
insolvencies
August 2020

UNCITRAL Colloquium on asset tracing
and recovery tools, Vienna Dec 2019

Florida International University:
3rd & 4th Annual Conferences against
Corruption and Impunity 2018 & 2019.

American Bar Association:
Combating Kleptocracy and Corruption
in the Americas. Miami
Oct 2017

International Bar Association:
Insolvency as an asset recovery tool.
Sao Paulo Nov 2017.

International Anti-Corruption Conference:
Recovering Stolen Assets. Panama
Dec 2016

Angela is a Managing Director and Head of the Caribbean Practice for Quantuma, an independent advisory firm whose experts advise clients on recovering assets, investigating financial loss and financial crime, business transactions, business disputes, mitigating risk and managing operational as well as financial challenges.

She and her team have multi-disciplinary expertise in financial investigations, crypto currency investigations, regulatory investigations, insolvency and dispute resolution to derive practical solutions to seemingly complex cross border issues.

Angela is a registered insolvency practitioner and has been appointed as Liquidator or Receiver over entities in the British Virgin Islands, the Cayman Islands, in the United Arab Emirates (DIFC) and in Samoa. Angela has been instructed by corporations, governments, law firms, and financial institutions to ascertain the facts, resolve financial challenges and realise value for creditors and investors.

She is recognised as a "Global Elite Thought Leader" in both financial investigations, and asset recovery, and as a highly recommended expert in insolvency and restructuring matters.

Angela is a Fellow of the Association of Chartered Certified Accounts, a Certified Fraud Examiner, a member of the Restructuring and Insolvency Specialists Association (RISA) and the Cayman Islands Institute of Professional Accountants (CIIPA), is a qualified insolvency practitioner in the Cayman Islands.

She is also a member of INSOL's technical committee for Offshore and is on the Expert Roster for the Caribbean Development Bank and the United Nations Roster of Experts.

Selected team credentials

- Co-ordinated the realisation process in relation to Bitcoin seized from criminal organisations by the Department of Justice on behalf of the State of Victoria.
- Conducted an investigation for a cryptocurrency firm which had been the subject of a multi-million dollar fraud. This included an internal investigation to determine the extent of the fraud and loss to the company; external tracing of funds and smart contracts; and a comprehensive asset-tracing and profiling investigation into key individuals connected with the fraud.
- Appointed by the Boards of 1MDB and SRC International in the recovery of \$7.65 billion stolen from Malaysia, resulting in asset tracing and recovery actions, and pursuing litigation against third parties for financial misconduct.
- Appointed as "Controller" by the Cayman Islands Monetary Authority (CIMA) to investigate matters of public concern, and currently as a Provisional Liquidator over OneTradeX Ltd, a Cayman Islands securities brokerage with over 280 clients worldwide
- Appointed as Provisional Liquidator over a Holdco whose subsidiary based in the UAE was deemed a ponzi scheme with investors losing over US\$300 million. The provisional Liquidation in the BVI led to a recognition of the Order in the UAE and the subsequent freezing of bank accounts in the UAE (a legal first between the two jurisdictions).



Toni Shukla

Director

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Specialisms

- Cross-border asset tracing and recovery
- Regulatory enforcement
- Cross-border insolvency
- Complex cross-border issues
- Stakeholder management

Sectors

- Legal
- Financial Institutions
- Regulated entities
- Property

Toni is a Director in our British Virgin Islands (“BVI”) office. She spent 13 years at a Top 10 accountancy firm in the UK, and also worked in-house for a lender, before moving offshore and now has almost 20 years’ experience working with and for stakeholders to restructure, recover assets and pursue litigation.

She has experience of working on engagements across a number of jurisdictions, which include Australia, BVI, Cyprus, Dubai (both DIFC and onshore), Malta, Russia, UK, and USA.

Toni is a licensed Insolvency Practitioner in the UK, a member of the Insolvency Practitioners Association, and sits on the Board of the Recovery and Insolvency Specialists Association in the BVI.

Recent assignment highlights:

- Managed the liquidations of two of the largest combined Madoff feeder funds; involved in defending a multi million-dollar claim brought against the funds in the USA.
- Led the liquidation of an alleged Ponzi scheme in the UAE, resulting in the first ever recognition of a BVI insolvency proceeding by the Dubai International Finance Centre Court.
- Managed a Court appointed liquidation which resulted in the Eastern Caribbean Court of Appeal affirming that liquidators of BVI companies are able to obtain retrospective sanction from the BVI Court.
- Acted for a UAE lender in linked Court appointed ‘trading style’ receiverships involving the management and sale of commercial and residential property in the UK.
- Led the Court appointed receiverships in one of the first cases dealing with interim relief where the Eastern Caribbean Court of Appeal held that the jurisdiction could grant interim relief in support of foreign arbitral proceedings.

Ethereum price today, ETH to US x						
https://coinmarketcap.com/currencies/ethereum/historical-data/						
Ethereum ETH						
Date	Open*	High	Low	Close**	Volume	M
Oct 21, 2021	\$4,101.71	\$4,300.09	\$4,032.40	\$4,034.32	\$20,220,001,020	\$470,500
Oct 20, 2021	\$3,877.73	\$4,167.47	\$3,833.29	\$4,155.99	\$20,338,319,988	\$490,444
Oct 19, 2021	\$3,747.16	\$3,883.93	\$3,736.78	\$3,877.65	\$15,998,757,133	\$457,544
Oct 18, 2021	\$3,847.73	\$3,888.21	\$3,686.75	\$3,748.76	\$17,386,204,158	\$442,288
Oct 17, 2021	\$3,829.86	\$3,914.90	\$3,660.72	\$3,847.10	\$15,908,090,346	\$453,833
Oct 16, 2021	\$3,865.67	\$3,962.45	\$3,805.89	\$3,830.38	\$16,578,095,629	\$451,811
Oct 15, 2021	\$3,790.15	\$3,895.47	\$3,735.36	\$3,862.63	\$20,966,841,512	\$455,566
Oct 14, 2021	\$3,604.96	\$3,819.26	\$3,590.28	\$3,786.01	\$19,443,499,909	\$446,477
Oct 13, 2021	\$3,492.75	\$3,607.74	\$3,417.60	\$3,606.20	\$16,211,275,589	\$425,218
Oct 12, 2021	\$3,546.48	\$3,546.48	\$3,407.34	\$3,492.57	\$18,109,578,443	\$411,788
Oct 11, 2021	\$3,419.73	\$3,622.29	\$3,385.76	\$3,545.35	\$18,579,189,588	\$417,950